

FBIS

DAILY REPORT

CONTENTS

Latin America

Vol VI No 046

10 March 1987

ARGENTINA

Soviet Envoy Confirms Gorbachev Visit; No Date Set	B 1
Army Officers Document on Human Rights Trials	B 1
Court Orders Arrest of Army Chief's Aide	B 3
CGT Official Views Possibility of Union Split	B 3
[BUENOS AIRES HERALD 9 Mar]	
Church-Sponsored Government-Labor Talks Stall	B 4
[BUENOS AIRES HERALD 8 Mar]	
Navy Favors Viedma Site for New Capital	B 4
[BUENOS AIRES HERALD 7 Mar]	
Cost Estimates for Capital Relocation Reported	B 5
[BUENOS AIRES HERALD 9 Mar]	
Group of Six Hold Preparatory Meeting [EFE]	B 5
Caputo To Attend Nonaligned Meeting in Guyana [CLARIN 6 Mar]	B 6
Public Works Minister Returns From Israel	B 6

BOLIVIA

French Experts To Train Antiterrorist Forces	C 1
Daily Condemns University 'Autonomy,' Castro Degree	C 1
[EL DIARIO 2 Mar]	
Television Stations Fined for Regulation Violations	C 2
Briefs: FRG Offers Antidrug Aid	C 2

BRAZIL

Finance Ministry Foreign Debt Advisor Interviewed	D 1
[O ESTADO DE SAO PAULO 8 Mar]	
President's Message to Congress Criticized	D 3
[O ESTADO DE SAO PAULO 5 Mar]	
Moratorium Not To Affect Trade With USSR	D 5
Funaro Arrives in Japan for Talks 9 Mar [cross-reference]	D 5
Navy Assumes Port Operations During Strike [EFE]	D 5
Briefs: PRC Coal Received	D 5

CHILE

90 Day State of Emergency Imposed in Country	E 1
Pinochet Promises Cooperation for Pope's Visit [AFP]	E 1
Foreign Minister Blames Mexico for UN Decision	E 1
Briefs: 1986 Economic Growth Noted	E 2

ECUADOR

Plans for Emergency Oil Route Through Colombia	G 1
More on Emergency Oil Plans [EFE]	G 1

PARAGUAY

Priest Discusses Tavapy II Peasants' Rights [AFP] H 1
Further Report [HOY 28 Feb]
Briefs: 1986 Exports Decline H 2

PERU

Report on 1986 Murders of Government Technicians [AFP] J 1
Shining Path Attacks Civil Guard Post in Canchis [EFE] J 1
Terrorists Bomb Lima Bank Branches 6 Mar [EFE] J 1
Briefs: Charcani Hydroelectric Plant J 1

VENEZUELA

Minister Admits Rebel Border Activity 'Increasing' [AFP] L 1
SFRY Foreign Minister Dizdarevic Begins Visit L 1
Views Contadora, Other Issues [AFP] L 1
Lusinchi, Consalvi Praise Visit L 2
Official Announces Bonds for Foreign Market L 2

MEXICO

Mendoza Travels to U.S. To Discuss Immigration M 1
EL DIA Terms U.S. Aid to C. America 'Blackmail' [4 Mar] M 1
PRI National Assembly Stresses Need To Change M 2
Army Conducts Successful Narcotic Operations M 4
CTM Call for Decrease in Debt Payments M ?
[UNOMASUNO 27 Feb]
Briefs: Marijuana Confiscation M 5

PANAMA

Abadia Letter on 'Distortion' of Law 96-70 N 1
Correction: Fugitives Turned Over to U.S. N 2

CENTRAL AMERICA

COSTA RICA

Arias Says Country Will Pay Foreign Debt P 1

EL SALVADOR

PDC Communique on 'Path Toward Democracy' P 1
[LA PRENSA GRAFICA 9 Mar]
U.S. Immigration Law, Plight of Immigrants Viewed P 2
February, March Battle Reports Roundup P 3
February Reports [LA NOTICIA 6 Mar] P 3
March Reports P 4

GUATEMALA

Military Policemen Arrested on Murder Charges P 5

HONDURAS

Armed Forces Report Sandinist Border Incursion P 6

NICARAGUA

COSEP Leader Cuadra, 10 CDN Members Freed [AFP] P 6
Foreign Ministry Protests Honduran Attacks P 6
Arturo Cruz' Resignation From UNO Announced [AFP] P 7
Further on Resignation P 7
Robelo Comment [San Jose] P 7
Cruz on UNO Situation P 8
Contras React to Costa Rican Communique P 10
[San Jose]
Cruz on 'Warning' to UNO [San Jose] P 10
Borge Queried on Domestic, Foreign Issues P 11
[Mexico City EL DIA 1 Mar]
Church Group Issues Letter on Area Situation P 17

CUBA

British Ships Reportedly Supplying Contras Q 1
Guatemala's Cerezo To Repress Protests Q 1
Salvadoran Rebel Radio Cited on Army 'Terror' Q 1
Dominican Leader Cites 'Admiration' for Castro Q 2
Further on Uruguayan Foreign Minister's Visit Q 2
Meeting With Castro Q 2
Iglesias Remarks Q 2
Uruguayan Legislators Comments Q 3
Peasants in Paraguay Facing 'Repression' Q 3
Risquet Meets With Seychelles Delegation Q 4
Ghanian Independence Anniversary Celebrated Q 4
Cambodian Delegation Arrives for 10-Day Visit Q 4
Sugar Minister Evaluates Camaguey Harvest Q 5
Heavy Rains Hinder Holguin's Sugar Production Q 5
'Thousands' Work To Restore Damaged Tobacco Area Q 5
Electricity Consumption Plan Behind Schedule Q 6
Havana Butter Distribution Up by 30 Tons Q 6
CETSS To Be Stricter in Applying Standards Q 6
Castro Presides Over Medical Fair Committee Q 6
Castro Decorates Natural Medicine Practitioner Q 7

CARIBBEAN

ANTIGUA AND BARBUDA

Finance Minister Announces Rescheduling of Debt S 1

HAITI

Opposition Forces To Vote 'No' in Referendum [AFP] S 1

JAMAICA

Seaga Obtains Debt Rescheduling With Paris Club S 1

ST LUCIA

Cape Verde Government Suspends SLA Flights	S	3
Compton Announces General Elections 6 April	S	3

GUYANA

Argentina's Caputo on Coals of Nonaligned Meeting	T	1
[BUENOS AIRES HERALD 9 Mar]		
Nonaligned Preliminary Conference Begins [EFE]	T	1

SURINAME

National Congress Views 'Alarming' Crisis	U	1
Bouterse Remarks	U	1
Demonstrators Protest Food Distribution System	U	2

SOVIET ENVOY CONFIRMS GORBACHEV VISIT, NO DATE SET

PY100348 Buenos Aires TELAM in Spanish 2228 GMT 9 Mar 87

[Text] Buenos Aires, 9 Mar (TELAM) -- Soviet Ambassador to Argentina Oleg Kvasov confirmed this afternoon that Soviet premier Mikhail Gorbachev will visit Argentina, but noted that no date has yet been set for the visit.

In a statement at Aeroparque Airport, Kvasov said Gorbachev was invited to visit Argentina by President Raul Alfonsin and that the two leaders decided to have the date set through diplomatic channels.

Kvasov said Soviet-Argentine relations are (?very good) and that there are many signs of this: Trade, economic, cultural, scientific, and technological relations are satisfactory and our countries are also holding a political dialogue, he added.

He added that the Soviet Union is satisfied at the way our [passage indistinct]. We are certain that the prospects of our relations are very good.

ARMY OFFICERS DOCUMENT ON HUMAN RIGHTS TRIALS

PY100218 Buenos Aires DYN in Spanish 2230 GMT 9 Mar 87

[Text] Buenos Aires, 9 Mar (DYN) -- Following meetings at almost all the garrisons throughout the country, active-duty Army officers today said that they are willing to defend "within the framework of the Army" those comrades who are being tried for human rights violations by civilian courts.

According to reliable sources, meetings were held today in the different Army units. They added that during these meetings commanders of regiments, battalions, and Army institutes explained to the officers the Army leadership's position regarding the trials.

Later, the officers issued a document addressed to "Argentine society." A copy of this document was delivered to DYN by active-duty Army officers who requested not to be identified but whose identity and military status were irrefutably proven.

This document states: "We are not promoting a coup or a split in the institutional system," but rather "we want political power to be strengthened not weakened by our actions." The document continues: "We guarantee the continuity of a representative, republican, and federal government system."

It adds: "We are willing to give up our lives to defend those comrades whom some want to subject to a mistaken notion of justice." But the document states that "all actions (carried out in defense of these comrades) will be carried out within the framework of the Army."

During the meetings, the chiefs of military units explained to their subordinates that Army leadership bases its position on a public vindication of the struggle against subversion; a political defense of what has been done; and the offering of greater legal, economic, and personal assistance to those officers undergoing trial.

They also explained the negotiations that have been carried out by the Army command in this regard before civilian organizations and by the Armed Forces Supreme Council, which in the last few days has protested the return of some legal proceedings to federal courts.

Later, the officers issued a document entitled: "Proclamation to Argentine Society."

It states that "it is not our intention to interrupt the Republican order for which we have struggled for so many years. It is for its sake (and for the sake of the fatherland) that so many comrades-in-arms in the Army, personnel of the security forces, and civilian personnel have given their lives." It adds that "if subversion had succeeded, there would be no democracy in Argentina today."

The document stated that "while those who robbed and squandered the wealth of the nation enjoy full guarantees and freedom, no matter what administration they worked for, those who struggled for the Republic are being tried and sentenced as vulgar criminals. This is something that violates specific constitutional principles."

In their proclamation, the officers state that "these trials are not being carried out because of violations of the law. They are being carried out for political reasons; there is no justice in these trials, only vengeance. It is not the laws of the nation that prevail but those of Marxist ideology, which has been defeated by arms."

The document continues: "In the face of the acts of treason and brazenness perpetrated against the Argentine Army and its members since 15 June 1982," alluding to the revision process that began after the Argentine defeat in the Malvinas War, "and, after having taken every possible sound, reasonable measure to reverse the internal situation that has smeared the Army, we wish to convey the following proclamation to the Argentine nation." In the following paragraphs, the signatories of the document state their position in sequential order.

Under point 1, they state they "do not want to promote a coup or to disrupt the institutional system. On the contrary we want to strengthen, not weaken, political power." Under point 2, they "guarantee the continuity of the federal, republican, representative system."

Under point 3, they charge that "those who are attempting to bring us to trial are the ones who are truly and steadily seeking to undermine the state of law by confusing the public and by antagonizing against the government its natural supporter: the Armed Forces."

Under point 4, they state: "We respect and will guarantee the republican institutions as best as we can."

The document adds: "The current military leaders were high-ranking members of the Armed Forces during the war against subversion. At that time, they did not demand that the successive military juntas abide by the laws, as they are now trying to impose the laws of their subordinates who only limited themselves to obeying orders without ever refusing to fight the enemy of the nation."

"In view of the above," they said, "we declare that we are prepared to defend with our lives our comrades who are being sacrificed for the sake of a mistaken notion of justice."

It must be understood that their trials affect the dignity and the honor of the Armed Forces and that this is not just a matter of an acceptable percentage of officers being tried or sentenced officers."

Finally, the document notes that "the public can rest assured that our actions will not transcend the internal framework of the Army," and adds that "therefore, we would like to warn the people that a large propaganda apparatus and a psychological action will be directed at them to make them view our legitimate concerns as a new attempt to effect a coup d'etat. This is entirely unfounded."

The document concludes as follows: "March 1987. The Argentine Army: It was born with the fatherland in May 1810."

COURT ORDERS ARREST OF ARMY CHIEF'S AIDE

PY100315 Buenos Aires DYN in Spanish 0204 GMT 10 Mar 87

[Excerpt] Cordoba, 9 Mar (DYN) -- The Cordoba Federal Appellate Court tonight ordered the "rigorous preventive imprisonment" of Lieutenant Colonel Osvaldo Quiroga, the Army chief of staff's aide-de-camp. The decision was announced following a 3 and 1/2 hour questioning of Quiroga.

Quiroga was questioned by the court, which was presided over by Chief Appellate Justice Jose Maria Aliaga, in the case of the murder of three detainees at a jail in the San Martin district in Cordoba during the military regime. The victims were attorney Hugo Vaca Narvaja, Higinio Arnaldo Toranzo, and Adolfo de Breuil. According to a communique released by the III Corps, the three detainees were killed while trying to escape in the El Tropezon region.

Quiroga has been charged with murder. The questioning ended at approximately 2030 local time. According to court sources, Quiroga denied the charges leveled against him during the hearing.

Quiroga arrived at the court dressed in his military uniform at 1600 and the hearing started 1 hour later. Quiroga was assisted by an Army major, a judge advocate, and a local lawyer. [passage omitted]

CGT OFFICIAL VIEWS POSSIBILITY OF UNION SPLIT

PY092037 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 87 p 7

[Text] (NA-DYN) -- General Confederation of Labour (CGT) Labour Affairs Secretary Jose Pedraza yesterday said the newly formed National Labour and Production Council (CNTP) grouping, otherwise known as the Group of 15, might decide to break with the CGT and organize a parallel labour movement.

Pedraza nevertheless said he hoped the union leaders responsible for launching the new organization would see the need for the "ideological unity of the labour movement."

The railway workers union leader admitted the labour movement might benefit from the creation of a new labour grouping "which could help to distinguish between those who side with the national project and those who are for the false speeches of the Radical Party."

The CNTP was meanwhile reported to be working on a "economic growth plan" as an alternative to the 26-point socio-economic programme presented by the CGT.

The latter came under fire by Labour Secretary Armando Caro Figueroa yesterday. Caro Figueroa said the 26-point plan would cause stagflation, swell the budget deficit and finally have the opposite result to that intended by CGT.

The government official offered a press conference after the Tres Banderas political party in Salta launched his gubernatorial candidacy in the province. He said his neo-Peronist party is studying the possibility of joining the "democratic convergence" alliance with the Radicals. The UOM metal workers' union is expected to decide today whether it will accept a wage proposal presented by the ADIMRA metal industries association. UOM rejected a 13 percent wage hike ruled by the Labour Ministry in view of the collapse of negotiations between UOM and ADIMRA.

UOM Assistant Secretary Luis Cuerrero had earlier announced that UOM intends to draw up plans to confront the government on its incomes policy.

The AB bank clerks' union, which last night called a state of alert, is studying the possibility of staging strikes throughout March in view of the "indifference" of government officials to their "legitimate demands."

The union holds Central Bank Vice-President Marcelo Kiguel directly responsible for the collapse in negotiations, blasting his conduct as "inconsistent" and "irresponsible."

CHURCH-SPONSORED GOVERNMENT-LABOR TALKS STALL

PY090023 Buenos Aires BUENOS AIRES HERALD in English 8 Mar 87 p 15

[Excerpt] Minister Hugo Barrionuevo yesterday rejected a wage proposal presented by General Confederation of Labour (CGT) Secretary-General Saul Ubaldini in the first of a series of government-labour meetings sponsored by the Catholic Church.

Barrionuevo is nevertheless expected to hold talks with several high-ranking government officials in order to offer a detailed counter-proposal during a further meeting with Ubaldini.

Ubaldini reportedly demanded changes in the official incomes policy as the main condition for reopening government-labour talks. [passage omitted]

NAVY FAVORS VIEDMA SITE FOR NEW CAPITAL

PY072258 Buenos Aires BUENOS AIRES HERALD in English 7 Mar 87 p 11

[Text] (NA) — The Navy yesterday presented a document before Congress in favour of the transfer of the federal capital to the Viedma-Carmen de Paragones area "or any other coastal settlement."

The document details the strategic, administrative and economic benefits of the location chosen by the government and points out the Navy considers itself "an interested party in promoting any transfers to maritime locations."

The Navy holds that such "pressing issues" as Patagonian emigration, the Malvinas conflict and the economic exclusion zone should be given "special attention" in determining the advantages of the proposed location.

According to the statement, modern weapons would diminish the vulnerability of a coastal settlement as opposed to an inland location while "guerrilla and subversive activities would be significantly impaired" in the new capital.

COST ESTIMATES FOR CAPITAL RELOCATION REPORTED

PY092028 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 87 p 7

[Text] (NA-DYN) The Public Works Ministry has reportedly estimated the cost of moving the capital to Viedma-Carmen de Patagones at 12 billion (thousand million) dollars, a reliable source said yesterday.

This estimate is far above the 2.5 billion figure originally calculated by the capital transfer commission headed by former Health Minister Aldo Neri although less than the sum of 15 billion suggested by Senator Luis Rubeo (Justicialist-Santa Fe).

The Public Works Ministry reportedly calculated building costs at 4.65 billion while transport improvements would absorb some three billion. The ministry report also allegedly drew attention to the costs of moving Rio Negro's provincial capital, probably to Cipolletti or General Roca.

But Neri yesterday defended the move, telling the daily LA RAZON that stretched out over 10 years, the transfer would not cost much more than the National Food Plan (PAN). Neri said the change of capital was only part of a wider decentralization and insisted that Viedma would not become a mini-Buenos Aires.

GROUP OF SIX HOLD PREPARATORY MEETING

PY091440 Madrid EFE in Spanish 0255 GMT 7 Mar 87

[Text] 6 Mar [EFE] -- World disarmament negotiations development and the contribution of the Group of Six to this field were discussed by President Raul Alfonsin and the representatives of five other chiefs of state.

Alfonsin met today with the representatives of the presidents of Mexico and Tanzania, and of the prime ministers of India, Sweden, and Greece at the Olivos Presidential Residence.

The Group of Six representatives met in the Argentine province of Tucuman for 5 days to prepare the upcoming Group of Six summit in Stockholm, Sweden.

After the meeting Alfonsin's representative, Ambassador Jorge Sabato, told journalists that "the representatives discussed possible future action by the Group of Six."

During the meeting, the representatives studied the possible dates for holding the next summit. "It is very difficult to coordinate the agenda of six heads of state," Sabato said.

In conclusion, Sabato reported that the results of the preparatory meeting were "optimum" and that the Group of Six "will continue with its struggle for disarmament and world peace."

CAPUTO TO ATTEND NONALIGNED MEETING IN GUYANA

PY071346 Buenos Aires CLARIN in Spanish 6 Mar 87 p 13

[Text] Foreign Minister Dante Caputo on 8 March is leaving for Georgetown, Guyana, to attend the special meeting of the Nonaligned Movement Coordinating Bureau for Latin America and the Caribbean.

The meeting will begin on 9 March at the representatives level and will continue for 3 days at the foreign ministers level.

However, Caputo will stay in Guyana for only 2 days because he will travel to Montevideo to attend the ALADI meeting on 11 and 12 March. ALADI will meet on 9 and 10 March at the representatives level and on 12 and 13 March at the foreign ministers level. [dates as published]

The Coordinating Bureau meeting was scheduled before the Nonaligned Movement meeting held in Harare, Zimbabwe, in 1986.

According to a diplomatic source, the meeting in Guyana "will cover the overall Latin American situation, the Contadora Group peace efforts, the efforts for integration made by the group of 8 (Contadora Group and the Contadora Support Group), and the economic proposals made by the Cartagena Accord."

The source said that "the document to be released at the conclusion of the meeting should emphasize integration and the Latin American evolution toward pluralism and the consolidation of democracy."

The source added that the meeting "should make a realistic study of the development projects conducted and the obstacles encountered by this development."

Caputo will be accompanied by Raul Alconada Sempe, under secretary for Latin American Affairs; Ramon Villagra Delgado; and Noemi Gomez, who is the director of the Nonaligned Movement Department.

The Argentine delegation will travel to Georgetown in the presidential airplane, which will also take Caputo to Montevideo.

PUBLIC WORKS MINISTER RETURNS FROM ISRAEL

PY091803 Buenos Aires Domestic Service in Spanish 1600 GMT 9 Mar 87

[Excerpt] Public Works and Services Minister Pedro Trucco returned this morning from Italy and Israel. At Ezeiza Airport, he said that the state-owned enterprises do not dignify the Argentine people. The public works and services minister stated that in Israel he signed a letter of intent to explore new sources of energy. [passage omitted]

FRENCH EXPERTS TO TRAIN ANTITERRORIST FORCES

PY091257 La Paz La Red Panamericana in Spanish 1130 GMT 9 Mar 87

[Text] A total of 400 Special Security Group [GES] members will participate in an antiterrorist course. The course will prepare participants to face any future contingency.

This information was supplied by GES commander Colonel Juan Solis, who stated that French experts are now in Bolivia to conduct the courses.

Events like the recent kidnapping of the granddaughter of a former president of the Republic have forced the adoption of serious preemptive measures.

Here are Solis' comments:

[Begin recording, in progress]...a crash course on antiterrorism, and the rescue of hostages, will be held for police chiefs, officers, and other ranks with the proper authorization of our superiors. The course will consist of theoretical and practical classes. [end recording]

DAILY CONDEMNS UNIVERSITY 'AUTONOMY,' CASTRO DEGREE

PY091711 La Paz EL DIARIO in Spanish 2 Mar 87 p 1

[Text] Managed by international communism, the UMSA [Greater University of San Andres], has betrayed the country in an unprecedented manner.

This treason to Bolivia has been committed by the group of leftist ideologists who now control the university in La Paz.

This offense to the country deserves a punishment under the terms of the Constitution.

Those who fought in the wars of the Pacific, Acre, Mauripi, and Chaco, have reacted to this offense to the country.

The university management and its followers must rectify and repent their betrayal to the Bolivian people.

In an open offense, Castro, the Cuban dictator, sent troops to invade our country. Those families who suffered from that aggression are the best proof of the great offense carried out by that dictator and destroyer.

The moment has come for us to review the demagogic regulations approved in the past, which have given our universities uncontrolled economic power, under the false title of university autonomy. Where and how are the enormous university budgets spent? On the purchase of buildings, property, land, or plots? When and how do the universities explain their accounting? How many illegal transactions are conducted?

As a representative of public opinion and guardian of national interests, EL DIARIO will comply with its duty of opposing those who wish to conceal their irregular transactions and crimes committed through Bolivia's universities.

This is a long subject, therefore we will insist on convincing the Bolivian public to react to this tragedy of maintaining a university that betrays the nation.

The income of the universities should be returned to the state so that it may organize the Bolivian people's education system.

TELEVISION STATIONS FINED FOR REGULATION VIOLATIONS

PY071420 La Paz La Red Panamericana in Spanish 1130 GMT 7 Mar 87

[Text] The Radio and Television Directorate of the Transport and Communications Ministry has fined the La Paz television stations 500 bolivianos. This measure was taken because the television stations failed to comply with Articles 32 and 38 of the communications rules and regulations, which state that before broadcasting any program it must be presented to the Radio and Television Directorate for review.

Here is what Ramon Oliden, an official at the Transport and Communications Ministry, said concerning the issue.

[Begin recording] Several television stations have been fined because they failed to present their programs 1 week in advance and because they failed to present the contracts authorizing the broadcasting by the producers or distributors.

Articles 32 and 38 of the rules and regulations are clear and final, and as long as these rules and regulations are in effect, the Radio and Television Directorate will take the steps it is now taking. [end recording]

Ramon Oliden also stated that next Tuesday the owners of the television stations will meet with the transport and communications minister to discuss issues related to the communications rules and regulations.

Oliden, the director of the Radio and Television Department of the Transport and Communications Ministry, stated that the Radio and Television Directorate is now processing the applications for the assignment of UHF frequencies.

In conclusion, Ramon Oliden reported that the decision on the applications filed by Messrs (Miguel Dueri) and Raul Salomon will be announced next week.

BRIEFS

FRG OFFERS ANTIDRUG AID — It has been confirmed that the FRG has decided to join the struggle against drug trafficking. In fact, yesterday the FRG ambassador to Bolivia handed over four vehicles to the National Directorate for the Control of Dangerous Substances. This is a positive step within the framework of the cooperation agreement between the FRG and Bolivia. These vehicles are to be used in the antidrug campaign. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 5 Mar 87 PY]

FINANCE MINISTRY FOREIGN DEBT ADVISOR INTERVIEWED

PY091421 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Mar 87 p 49

[Text of interview with Paulo Nogueira Batista Junior, Finance Ministry foreign debt adviser, by O ESTADO correspondent Nelson Lemos -- place and date not given]

[Text] O ESTADO: How can the Brazilian Government pass from a foreign-debt moratorium to effective negotiations with the creditor banks?

Batista Junior: President Jose Sarney's decision to suspend the interest payments on the foreign debt was very badly understood in Brazil. Although it is a measure to protect foreign reserves, it is fundamentally a negotiation instrument. It was implemented for an indefinite period of time and it is meant to last until the negotiation process is completed. This is an entirely new method of treating the foreign debt. Since the international debt crisis in 1982, this is the first time Brazil has taken the initiative to create for itself an automatic financing mechanism, which protects its level of foreign reserves and guarantees the conditions to conduct a long negotiation process. We will lift the temporary suspension of interest payments on the foreign debt when an agreement is reached, a negotiation that protects the interests of Brazil and the creditors.

O ESTADO: But if that situation should last for some time, is it not true that the creditors will adopt reprisals against Brazil?

Batista Junior: I don't believe that will happen, because Brazil's initiative is not intended to harm the financial system or to cause a confrontation. Neither Brazil nor the creditors are interested in reprisals. The extent of Brazil's involvement with U.S. banks and those of the other developed countries is such that any reprisal against Brazil will also hurt the creditor banks. It is not by chance that the creditor banks have responded with quite a cooperative attitude so far. It is true that the Brazilian initiative has not been well received abroad, but this is because the creditors are interested in maintaining the situation as it was before. The debtor countries were trapped in the traditional scheme of negotiation, hat in hand, asking for resources in a position of permanent inferiority. The decision adopted by the Brazilian Government stands in defiance of the way in which debtor countries have been treated. For years, the burden of the crisis has been placed on the debtor countries. The share of the costs has not been equitable, and this is what Brazil is trying to gradually change.

O ESTADO: World Bank President Barber Conable has said that only if it presents a coherent program for the adjustment of its internal economy will Brazil be able to secure help from the international financial community. How do you view this proposition?

Batista Junior: It is the Brazilian society that demands an internal program, because it would suffer the consequences from the lack of an effective program to fight inflation. An external adjustment is an indispensable element to a program for internal adjustment.

O ESTADO: Should the external adjustment then precede the measures to bring the Brazilian economy into equilibrium?

Batista Junior: Not necessarily. Both the external and the internal adjustment are components of the same stabilization program. A successful stabilization program cannot be conceived in a country like Brazil, which since 1983 has been transferring 20-22 percent of its domestic savings abroad.

Without an adequate external negotiation, the internal measures would operate in a vacuum. Brazil has already taken various measures to stabilize its economy. The creation of the National Development Fund in July 1986; the Cruzado II Plan in November 1986; and the recent intervention of the state banks, which represents an important step toward the adjustment of the public sector. I think that in the coming months the government will adopt other measures to slow down the rate of inflation and to maintain economic growth. In this context, the suspension of interest payments on the foreign debt has its place as an initial step toward an external negotiation that will give the country the necessary foundation to stabilize its economy and to maintain its development.

O ESTADO: Do you think the government will be able to solve the foreign-debt payment problem without a program of internal adjustment?

Batista Junior: The process of negotiation with the creditors cannot possibly be successful without a program for internal stabilization. Similarly, the problem of internal stabilization depends on a equitable negotiation with the creditors. These problems are interdependent. Just as the foreign-debt negotiation is not a cure-all, so the internal stabilization program will not be a solution if the government does not face up to the foreign-debt problem. We have to examine the creditors' demand for an internal program carefully. This can be merely a smokescreen to hide another concern; namely, that the Brazilian economy should generate trade balance surpluses high enough to cover the servicing of the foreign debt. This is in fact what the creditors have in mind when they speak of a program for internal adjustment.

O ESTADO: Does the government intend to present an all-encompassing proposal to solve the foreign-debt problem to the creditors?

Batista Junior: President Sarney has made it clear that Brazil will present a long-term proposal for the definitive solution to the foreign-debt problem, doing away with the palliatives that have been used since 1984. Brazil has already made it clear that its proposal will deal with the problem in its entirety. What is the foreign-debt problem? It is very expensive, it bears high intermediation charges, and it has not been refinanced. The Brazilian proposal addresses these basic problems. We have to refinance a large portion of the foreign-debt service in an automatic manner, doing away with year-to-year negotiations which do not contribute to a definite agreement with the creditors. We also have to obtain an agreement to reduce the spread (risk-added rate). All this in order to curtail the transfer of resources abroad and to make resources available to increase the rate of investments and to guarantee the growth of the economy in the future. This is the essence of the Brazilian proposal that will be discussed with the creditor banks.

O ESTADO: Is it not true that the moratorium on interest payments will cause difficulties for financing Brazil's foreign trade operations?

Batista Junior: Brazil contends that it needs to grow, and growth is non-negotiable. One of the underlying Brazilian arguments is that the country's capacity to pay depends on increasing exports. In turn, the increase of exports depends on the availability of finance for exports. Therefore, should creditors impose reprisals affecting the capacity to finance exports, Brazil's capacity to grow would in turn be affected. Brazil is not interested in harming the banking system, and the creditor banks are not interested in undermining Brazil's capacity to pay. I think we will reach some kind of agreement. The negotiation will be hard, but an agreement will be reached.

O ESTADO: Why should the country not strive to obtain the large trade-balance surpluses it achieved in previous years?

Batista Junior: As far as internal adjustment is concerned, the country is interested in guaranteeing a minimum self-sustained growth, controlling inflationary pressures, implementing an income redistribution program, and adjusting public sector finances. Brazil is not interested in maintaining a situation of large trade-balance surplus in the years to come. Of course, these surpluses are good to pay the foreign debt, but they cause great internal pressures. These surpluses entail the transfer of resources abroad, they keep Brazil from investing at adequate levels, hinder the financial equilibrium of the public sector, generate inflationary pressures, and threaten the economic growth with foreign exchange depletion. The proposition that the large trade-balance surpluses must return is wholly unacceptable. Many times, a coherent economic program is mentioned, the idea is to force Brazil to return to the previous levels of \$12-13 billion annual surplus in order to service the foreign debt. That situation is over. We have to find an automatic mechanism for refinancing the foreign-debt service that provides a lasting solution.

Brazil understands that it must contribute to the solution of the foreign-debt crisis. That solution will come through significant surpluses in its balance of trade -- in the order of \$8 billion per year; not as high as in previous years -- through a policy of export promotion and of internal savings. The government understands that it cannot make that effort alone. This is why it needs an external contribution.

O ESTADO: But are the creditors sensitive to such an approach? Are there any signals in that regard?

Batista Junior: The past situation was so comfortable for the creditors that it will be difficult for them to adapt to a different situation in which a debtor country takes the initiative and lays its demands on the negotiating table. The system drafted in 1982 to deal with the foreign debt has yielded good results from the creditors' standpoint. So they want to cling to it. But Brazil does not want to close itself off from the rest of the world. On the contrary, it wants to renegotiate its foreign debt in order to integrate itself better in the international community, to increase the flow of imports. It wants to promote deeper relations in the area of capital, so that Brazil may import more capital goods and technology in order to expand and modernize the country's industrial establishment. Brazil is not interested in a confrontation with the international financial system.

PRESIDENT'S MESSAGE TO CONGRESS CRITICIZED

PY091646 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 87 p 3

[Text] The message the U.S. President delivers every year to Congress is a special occasion among congressional activities, barely matched by the budget discussion. President Jose Sarney's message was read during the Carnival period to an empty Congress and, as is the case with the budget issue, it will not allow for adequate discussion following the failure of the Cruzado Plan. It is necessary, we repeat, to the point that such a discussion could be an opportunity to prevent the repetition of the mistakes that have led the country into the current impasse in the foreign exchange field. The presidential message is presented as a mere formality in which its authors did not even bother to update the figures. The figures used in the speech were estimated 1 and 1/2 months ahead of time. This simple example illustrates the lack of interest, which turns against the executive branch itself: The last estimate for the public deficit totaled 1.7 percent; however, the presidential message maintains the estimated 2.9 percent figure, which was previously published. Furthermore it was expected that the government would take this opportunity to conduct a critical analysis of its actions. Despite the fact that some phrases timidly admit minor problems the entire message is just a huge eulogy of its own cause.

The gross figures presented in the economic portion of the message are dangerous, and in many cases debatable. One great concern of the people who review economic development is the stimulus that has been given to demand, while investment dropped. The message emphasizes the growth of the domestic demand and the imbalances it brought. Meanwhile, the message reports a sharp increase in gross capital which reportedly reached 19 percent of the GDP compared to 16.7 percent in 1986. This data does not match the last estimates supplied by the Central Bank (16.4 percent). At least the message admits that "nevertheless, the increase in the levels of investment was not general. On one hand it was more concentrated in the modernization of equipment and procedures than in the expansion of productive capabilities. On the other, it unequally involved various sectors, causing some bottlenecks."

As far as the inflation rate is concerned, the government shows great satisfaction with the results achieved and is not concerned over the fact that the inflation rate increased 62.4 percent in 1986, with frozen prices, and with an index that did not reflect actual prices. In addition, the executive branch did not attach any importance to the controlled inflation which is now beginning to take revenge for the disrespect of marketing laws.

A great portion of the message was dedicated to the analysis of the Cruzado Plan, which was done in a superficial manner and with careless statements. President Sarney states that "when the Program of Economic Stabilization was launched there was an awareness that the process, which needed continuous administration, had been unleashed." It is appropriate to add that this administration failed because political goals dominated economic goals. The president of the Republic congratulates himself on the deflation of the speculative processes just as they are returning. His Excellency does not even lament the return in early March of an indexation system whose elimination was one of the merits of the Cruzado Plan.

In the message, a great emphasis is placed on the results achieved concerning the creation of new jobs and the reduction of the unemployment rate. It is not admitted, however, that that was a mid-summer night's dream and that problems are already being encountered concerning the assimilation of manpower.

The tranquillity with which the deterioration of the foreign exchange situation is viewed must be noted, and the most negative point of the Cruzado Plan, or the lack of courage, after deciding on a partial moratorium was to announce that the Brazilian economy may become choked if the creditor banks refuse to make their contribution to salvage the Brazilian economy.

The executive branch prefers to repeat the goals of the PND's [National Development Plan] Targets Plan of the New Republic as if the inflation which has returned would not be threatening those targets which are ambitious even within the framework of a stable economy. On the other hand, the message does not refer to the fact that without foreign exchange the country might become incapable of importing items necessary to maintain a growth rate which the executive branch continues to foresee as high, without considering that it could be well below the desired 7 percent.

Brazil refuses to sign a letter of intent with the IMF; however, the president of the Republic's message is nothing but a long letter of intentions without the means to achieve them.

MORATORIUM NOT TO AFFECT TRADE WITH USSR

PY101106 Brasilia Domestic Service in Portuguese 2200 GMT 9 Mar 87

[Text] Soviet Ambassador to Brazil Viktor Esakov said today in Brasilia that the Brazilian moratorium and its economic difficulties will not affect trade with the Soviet Union. According to the ambassador, the Soviet Government believes that Brazil will reach an agreement with its international creditors. He added that the Soviet Union did not create the foreign debt problem which affects the developing countries, but it is interested in its solution.

FUNARO ARRIVES IN JAPAN FOR TALKS 9 MAR

For reportage on Brazilian Finance Minister Dilson Funaro's visit to Japan for talks with Japanese Government leaders and bankers, see the Japan section of the 9 March Asia & Pacific DAILY REPORT and subsequent issues.

NAVY ASSUMES PORT OPERATIONS DURING STRIKE

PY080238 Madrid EFE in Spanish 1731 GMT 7 Mar 87

[Text] Rio de Janeiro, 7 Mar (EFE) -- The Brazilian Navy today took control of all Brazilian ports in order to ensure the unloading of fuel in view of a strike by some 40,000 sailors. The strike has been declared illegal by the Superior Labor Court.

The Navy operation involves tugboats and other ships which will help move 165 vessels anchored off the coast, a situation which could lead to fuel shortages.

Mines and Energy Minister Aureliano Chaves has authorized the occupation of the vessels calling it "Operation Sea Strike." The operation is using students from Navy schools so as not to deplete the crews of military ships.

PETROBRAS transportation director Maximiliano da Fonseca explained that foreign ships anchored off the coast that are unable to unload fuel because access to the ports is blocked by striking Brazilian ships will be brought in first. The government has justified the takeover because fuel shortages may begin next week, especially in the northeast. Cooking gas, gasoline, diesel oil, and aviation fuel are in short supply.

Representatives of 12 unions of maritime workers and of their employers are meeting at the Federal Labor Court in Brasilia today trying to reach some agreement. The striking workers want a 186-percent salary hike and even though their strike has been declared illegal, they firmly refuse to go back to work.

The strike is mainly harming PETROBRAS, which has 28 ships carrying crude oil and petroleum byproducts stranded in the ports. PETROBRAS has offered its workers a 100-percent salary hike, while private companies are willing to pay only 80 percent more.

BRIEFS

PRC COAL RECEIVED -- The first shipment of PRC coal for metallurgical use is being unloaded in Cubatao. The 46,180-ton shipment will reduce the PRC's trade deficit with Brazil, which totaled nearly \$270 million in 1986. The PRC intends to sell Brazil 300,000 tons of coal per year. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 87 p A 25 PY]

90-DAY STATE OF EMERGENCY IMPOSED IN COUNTRY

PY091818 Santiago Radio Chilena in Spanish 1600 GMT 9 Mar 87

[Excerpt] All regions of the country were declared in state of emergency for 90 days, according to a decree published today in the official bulletin. This decree is signed by President Augusto Pinochet, Interior Minister Ricardo Garcia, and Defense Minister Patricio Carvajal.

Article No 40 of the National Constitution has been taken into consideration before adopting this measure. The article authorizes declaring a state of emergency in times of internal threat to national safety.

The replacement of the chief of the region in a state of emergency has also been considered if circumstances forbid him from carrying out his duties due to illness or absence from his jurisdiction. [passage omitted]

PINOCHET PROMISES COOPERATION FOR POPE'S VISIT

PY071307 Paris AFP in Spanish 2202 GMT 6 Mar 87

[Excerpt] Santiago, 6 Mar (AFP) — President Augusto Pinochet today said in Santiago that the Chilean military government will cooperate to make Pope John Paul II's coming visit a success.

During a conversation with the press, Pinochet criticized the recent Lenten message issued by the bishops. He also recalled the decisive mediation conducted by the pope when Chile was at the brink of war with Argentina in 1978. General Pinochet made this statement 2 days after government officials accused the proscribed Communist Party of preparing to unleash a violent subversive plan a few days before the pope's arrival on 1 April.

Pinochet said that the government will continue to provide its cooperation to make the pope's visit a success and that he hopes that those who want to use the pope's visit for political purposes will not achieve their objective. Chileans owe a great deal to the Holy See, because peace is a reality thanks to his mediation, said Pinochet in reference to the peace treaty that resolved the conflict with Argentina over the Beagal Channel.

Pinochet, who is going to meet with the pope in La Moneda Palace the day after his arrival in Santiago, pointed out that those who oppose the military regime have groups which advocate violence. Pinochet added that in 1987 his government will continue to act with decision, responsibility, and realism, and that not even the attack against him last September has made him change his position. [passage omitted]

FOREIGN MINISTER BLAMES MEXICO FOR UN DECISION

FL062053 Mexico City NOTIMEX in Spanish 1339 GMT 6 Mar 87

[Text] Santiago, 6 Mar (NOTIMEX) — Chilean Foreign Minister Jamie Del Valle criticized Mexico for its role at the UN Human Rights Commission Meeting in Geneva where Augusto Pinochet's regime was condemned.

The foreign minister first criticized the presence of Chilean Youth Carmen Gloria Quintana at the meeting in Geneva. She and Rodrigo Rojas de Negri were burned in Santiago last July by a military patrol. Rojas de Negri died from his injuries a few days later.

Quintana's presentation was a hard blow to the military government, as could be seen by the impact it had on Chile's ambassador and foreign minister and the delegations attending the meeting. Del Valle said her presentation was sensationalism.

Del Valle angrily said that despite Chile's cooperation and efforts to advance in the area of human rights, the assembly's attitude definitely demonstrates they are not interested in human rights but rather in political attacks.

He said that all countries have problems in human rights and he added that other nations could also be among the accused.

The Chilean diplomat also attacked the Belorussian delegation, which presides over the meeting, and the Soviet-bloc countries for their attacks on Costa Rica's Fernando Volio, special UN human rights rapporteur. Volio has been criticized for his excessive sympathy with the authoritative Chilean regime.

Del Valle's reactions have been justly reproduced by the press, which has routinely published the complete text of an open letter written by clergymen, who say they are thinking of the thousands of Chilean men and women, who have suffered or are exposed to similar or worse suffering such as the psychological torture experienced by a bishop's niece at the hands of Chile's Secret Police, which is part of the National Center of Information.

BRIEFS

1986 ECONOMIC GROWTH NOTED — The Central Bank has reported that the Chilean economy grew by 5.7 percent in 1986. This represents a total production of 376,627,000,000 pesos. This figure is 26 percent higher than the 1985 figure. The Central Bank further reported that exports increased by 9.8 percent, while imports grew by 9.7 percent. [Summary] [Santiago Domestic Service in Spanish 1600 GMT 6 Mar 86 PY]

PLANS FOR EMERGENCY OIL ROUTE THROUGH COLOMBIA

PA091410 Quito Voz de los Andes in Spanish 1230 GMT 8 Mar 87

[Text] Energy Minister Javier Espinosa has said: We have received a call from the Colombian ambassador to Ecuador who has expressed his government's solidarity and total willingness to cooperate with Ecuador in the current emergency. The minister made this statement during the meeting he held in the office of Carlos Romo Leroux, general manager of CEPE [Ecuadoran State Petroleum Corporation], to plan actions in view of damage to the oil pipeline.

The Colombian Government's willingness will make possible the immediate establishment of contacts to work on the emergency route that will transport petroleum through a branch to be built between Lago Agrio and Puerto Colon on the border with Colombia. From there, it would be transported through the trans-Andean pipeline, which is owned by state-owned ECOPEPETROL [Colombian Petroleum Enterprise], and which runs from Orito to Tumaco in Colombian territory. From Tumaco, the crude oil would be transported by coastal traffic vessels to Balao for processing in the refinery.

More on Emergency Oil Plans

PA091529 Madrid EFE in Spanish 0031 GMT 9 Mar 87

[Excerpts] Quito, 8 Mar (EFE) [Passage Omitted] Two strong tremors Thursday night damaged oil pumping and transportation installations. The damage to the Ecuadoran pipeline prompted the government to suspend Ecuador's production and exportation of hydrocarbons Friday. This suspension will be in effect for an indefinite period.

In the meantime, as an emergency solution, a pipeline on the Colombian-Ecuadoran border will make possible the movement of Ecuadoran oil to the Pacific. [passage omitted]

Ecuadoran Energy Minister Javier Espinosa stated today that the Colombian Government had already expressed its intention to help with the emergency plan. The building of a new branch for the pipeline will take 2 months and will cost between \$15 and \$20 million. The new pipeline will be able to carry up to 50,000 barrels per day.

Ecuador uses more than 125,000 barrels per day and it imports [as received] 1 million barrels per month. Espinosa explained that oil will be imported only to keep the local refineries working.

(Venezuelan President Jaime Lusinchi has ordered that 5 million barrels of oil be shipped to Ecuador as part of the support his government is giving that nation.

(Lusinchi thus responded to a request made by Ecuadoran President Leon Febres Cordero, who asked for that amount of petroleum as a loan. The Venezuelan oil will meet local market needs during March, April, and May).

PRIEST DISCUSSES TAVAPY II PEASANTS' RIGHTS

PY021542 Paris AFP in Spanish 0040 GMT 27 Feb 87

[Text] Asuncion, 26 Feb (AFP) -- A Catholic priest, Father Pedro Lovera reported today in Asuncion that at least 10 children and an old man have died so far because of a lack of medical care in a Paraguayan agricultural colony where some 4,000 peasants remain besieged by 1,500 military and police troops.

The colony, known as Tavapy II, which comprises 3,000 hectares, some 350 km southeast of Asuncion, is the center of a conflict because an influential Chilean citizen claims to be the owner of the land. On Wednesday, this establishment was the object of a dragnet operation conducted by some 50 soldiers and officers who acted violently to intimidate the peasants, the priest told AFP.

Father Lovera, whose parish is a few kilometers from the colony, expressed his concern over the increased tensions created by the occupation forces. These forces are financed by Chilean Rodolfo Garcia Kolher.

Lovera warned that the increasing harassment of peasants could lead to a massacre because the peasants have stated that they will not be able to endure the continuous humiliation and abuse by the soldiers and their officers.

The priest added that the siege also prevents some 800 children, who until last year attended four schools, from registering this year. He said that at least one colony resident is detained daily in a campaign of intimidation, and that as a result at least one was brutally tortured.

The priest said that because they are prevented from receiving medical attention, children are dying of the most unimaginable sicknesses such as diarrhea, pneumonia, and even influenza.

Some peasants ask the military for permission to come to this parish to receive assistance, but not all of them have enough money for the bus fare, and the sick cannot come on foot, the priest reported.

According to Father Lovera, the joint forces that besiege the zone are living in luxury, thanks to Garcia Kolher.

Opposition leaders to General Alfredo Stroessner's regime claim that the Chilean is a mere figurehead for the Chilean chief of state, and that this was the reason he was able to mobilize such a large number of troops.

According to sources of the state Agrarian Reform Institute (IBR), the peasants are squatters and there is no alternative, therefore, but to evict them and transfer them elsewhere.

However, lawyer Digno Britez of the Committee of Churches for Emergency Assistance, has stated that the judge who ordered the eviction has committed serious and monstrous procedural violations on behalf of the Chilean farmer.

According to church sources, the IBR officials themselves agreed to the settlement of the almost 4,000 peasants in Tavapy II, a little more than 4 years ago.

Further Report

PY061702 Asuncion HOY in Spanish 28 Feb 87 p 8

[Text] A group of Tavapy peasants who are members of the Colorado Party came to our newspaper office "to denounce the situation we are experiencing. We are not criminals, but peasants, workers, and Colorados willing to defend our country. So, it is unjust that Armed Forces officers should be used against us, threatening to drive us off our plots by clubbing us, in order to serve foreign state owners." These remarks were made by our visitors, who identified themselves but asked that their names not be revealed for fear of reprisals.

They said that they have reported this situation "to the president of our party, Dr Juan Ramon Chaves. He treated us with respect and told us to stay on our plots and that the Chilean (Rodolfo Garcia Kohler, who claims the land occupied by these peasants) should stay on his ranch. Garcia Kohler contends that our land is his, but we have yet to see a document accrediting him as owner," the peasant added.

They said: "When we decided to come and see Dr Chaves to inform him of our situation, Colonel Jose Felix Grau, who commands the troops that are surrounding our plots, told us that the word of Dr Chaves is worthless, because Dr Chaves is a figurehead in his dotage. The Armed Forces officer shows no respect, but rather contempt for the president of our party," the peasants said.

Our visitors recounted that "the Government Junta has on several occasions sent us medicines, but the military forces allowed only the third shipment to reach us. Only then did they let the physicians and nurses, headed by Francisco Duarte, see us. Colonels Jose Felix Grau and Galo Escobar, as well as police officer Wenceslao Cazal, who continuously threaten us, want to convince us that they are providing the medicine. But we know that the medicine has been sent by the Government Junta of our party," they said.

The peasants said Cazal showed them the appraisal of their lots. They noted, however, that this appraisal -- on the basis of which they would be compensated if they agreed to leave their land -- "is a mockery, because with the improvements we have made on them, those lots should be worth approximately 3 million guaranies. However, the shameful amount of less than 400,000 guaranies is being offered to force a settlement." At this point, our visitors exhibited copies of the appraisals valuing their land at 375,500 and 365,000 guaranies.

Finally, they stated: "We are willing to pay what we can afford to stay on our lots and work. We have no other means of subsistence. We ask that our dignity as peasants and laborers be respected. We ask these Army officers to reconsider. They ought to defend the rights of their countrymen, not the interests of foreign owners, who keep us in a constant state of alarm. If these Army officers have children, they should be thinking about the unjust attitude they have adopted against us and our families, who deserve to live and work in peace, not to be treated like animals."

BRIEFS

1986 EXPORTS DECLINE -- In 1986, exports totaled \$227 million, a decline of \$85 million compared to the previous year. Cotton sales totaled \$77.9 million; soybean sales, \$44.3 million; meat sales, \$43.2 million; and lumber sales, \$18.2 million. [Summary] [Asuncion HOY in Spanish 3 Jan 87 p 12 PY]

REPORT ON 1986 MURDERS OF GOVERNMENT TECHNICIANS

PY051512 Paris AFP in Spanish 1430 GMT 5 Mar 87

[Text] Lima, 5 Mar (AFP) — Deputy Carlos Cappaletti Cisneros today reported that Shining Path terrorists murdered 42 government technicians in the Andean region of Ayacucho in 1986. The murders were aimed at sabotaging a government program to encourage the creation of microregions in Ayacucho, which is one of the most backward regions in the country and the stronghold of the Shining Path, said Cappaletti who belongs to the government party. He added that the terrorists put signs beside the bodies saying: "The microregions are only chocolate in the mouth of peasants."

Cappaletti Cisneros also said that the 42 technicians worked for the Ayacucho Development Corporation. He added: Those technicians risked their lives in an effort to carry out their mission in far away places of the department, in areas where Armed Forces members are not even present. He pointed out that because of those murders it is understandable that there is fear among the corporation's technicians about carrying out missions outside Ayacucho, 575 km southeast of Lima. He also said that the terrorists' attacks against the corporation's camps are more frequent because they want to destroy machinery and installations.

SHINING PATH ATTACKS CIVIL GUARD POST IN CANCHIS

PY030234 Madrid EFE in Spanish 0059 GMT 2 Mar 87

[Text] Lima, 1 Mar (EFE) — It was reported in Lima today that more than 50 alleged members of the Shining Path terrorist group used bombs and guns to attack the police station of a small village in Cusco Department. The terrorists attacked the Civil Guard station in Marangani District, Canchis Province, 170 km south of Cusco, capital of Cusco Department, 1,165 km southeast of Lima.

The attack occurred early on the morning of 28 February. According to reports published today by the Lima daily EXPRESO, the policemen at the station managed to repel the attack, but the station was partially destroyed. The daily stated that no casualties have been reported, and the Cusco Police Force Command has ordered the deployment of reinforcements to Marangani.

TERRORISTS BOMB LIMA BANK BRANCHES 6 MAR

PY080244 Madrid EFE in Spanish 0507 GMT 7 Mar 87

[Excerpt] Lima, 6 Mar (EFE) — At least six bombs went off tonight at various bank branches in different Lima districts, according to the police. The source added that the attacks took place simultaneously at 2230 local time [0330 GMT] and caused no casualties, although there is considerable damage. [passage omitted]

BRIEFS

CHARCANI HYDROELECTRIC PLANT — It has been officially announced that the Charcani V Hydroelectric Plant will be built in about 20 months at a cost of \$72 million. The money has been granted by Brazilian Government. Charcani V will produce 135 megawatts and will link Moquegua and Tacna. [Summary] [Lima EL COMERCIO in Spanish 23 Dec 86 p A 5 PY]

MINISTER ADMITS REBEL BORDER ACTIVITY 'INCREASING'

PA100000 Paris AFP in Spanish 2248 GMT 9 Mar 87

[Text] San Cristobal, Venezuela, 9 Mar (AFP) -- Venezuelan Defense Minister General Rafael Cardozo has admitted that subversive activity along the Colombian-Venezuelan border is increasing. The minister made the statement today after visiting San Cristobal, a city close to Norte de Santander Department (in Colombia).

Cardozo said there are "subversive actions of the guerrillas and of the narcotics traffickers, in addition to kidnappings in the states (provinces) of Apure, Tachira, and Zulia." The forementioned states, where most of the cattle raising is done, mark over 1,000 km of border between the two countries.

The cattle ranchers are the most frequent targets of the Colombian rebels who are active in that area. The last one to be kidnapped was Nectario Boscan, 30, who was kidnapped last Friday in the hacienda where he works, in the area of Mata de Coco, Zulia over 650 km west of Caracas.

According to a police source from San Cristobal, \$5 million was initially sought for the release of Boscan.

In the last 10 years, 80 million bolivares (approximately \$10 to \$15 million, averaging the various exchange rates) have been paid for the release of 26 cattle farmers kidnapped in the area, according to the local press.

SFRY FOREIGN MINISTER DIZDAREVIC BEGINS VISIT

Views Contadora, Other Issues

PA090202 Paris AFP in Spanish 1945 GMT 8 Mar 87

[Text] Caracas, 8 Mar (AFP) -- Yugoslav Foreign Minister Raif Dizdarevic stated today that his country supports the Contadora peace proposal because it is the only way to resolve the Central American crisis.

Dizdarevic, who is on an official visit to Venezuela until 10 March at which time he will travel to Guyana to attend a meeting of ministers of the Nonaligned Movement, stated at a news conference that that meeting will give the Central American peace process its complete support.

Before talking to the media, the Yugoslav foreign minister met with his Venezuelan counterpart, Simon Consalvi, to discuss bilateral matters, especially the increase of commercial and technological ties between Venezuela and Yugoslavia.

Commenting on the foreign debt of developing countries and the creation of a debtor's club, Dizdarevic said that this possibility had not been discussed with Consalvi, but added: "I think cooperation is necessary, so that together we may arrive at a number of solutions that will benefit both debtors and creditors."

The foreign minister thinks it is possible to pay the debt of developing countries (Yugoslavia has outstanding loans [as received] of \$18 billion) if two conditions exist: easier payment terms (interest, amortization, and time limits) and the assured economic development of debtor countries.

Dizdarevic stated that the nonaligned conference, where the main subject will be the political and economic situation in Latin America and the Caribbean, is not being held to judge anyone but to support all the major changes that are taking place in the region.

Lusinchi, Consalvi Praise Visit

PA091955 Caracas Television Service in Spanish 1600 GMT 9 Mar 87

[Text] Venezuela and the SFRY will finalize trade terms on the sale of steel, aluminum, and oil. According to Venezuelan Foreign Minister Simon Alberto Consalvi, there are broad possibilities for trade between the two countries. He believes the agreements will go into effect in 2 months. This information was reported during a luncheon the Venezuelan Foreign Ministry hosted yesterday in honor of Yugoslav ambassador [title as heard] Raif Dizdarevic. President Lusinchi and top government officials were present at the event.

[Begin Consalvi recording, in progress] ...with admiration and affection. The reiteration of our meetings and dialogue strengthen the tradition of Yugoslav-Venezuelan ties. They are evidence of a true commitment to rapprochement and to act in accord with growing and promising possibilities in bilateral matters. In addition, these ties are based on a similarity in viewpoint on many bilateral matters. [end recording]

Moreover, President Lusinchi commented on the possibility that he may visit the SFRY in the future.

[Begin Lusinchi recording] Yes, I will go to Yugoslavia. I will go not only to finalize agreements, but also to enjoy the country's marvelous paintings that are called primitive, and yet are so filled with wisdom and insight. I will go to make direct contact with a courageous, intelligent, and witty people who are determined to change history. [end recording]

OFFICIAL ANNOUNCES BONDS FOR FOREIGN MARKET

PA052136 Caracas Television Service in Spanish 0000 GMT 5 Mar 87

[Excerpts] There is an international expectancy regarding oil prices. Oil prices were increased considerably in world markets today after OPEC openly stated its decision to maintain the validity of the agreements on the reduction of oil production. OPEC's position has caused increases of North Sea crude oil prices on the New York and Far East markets. Operators and experts are now convinced that OPEC countries are producing crude below the established limit. This means an increase in oil prices; for Venezuela, it means an increase in oil revenue.

The oil market's ups and downs caused Venezuela to propose new terms in the renegotiation of its foreign debt and to resort to a contingency clause.

Finally, new payment conditions and other financial options such as placing public debt bonds on the international market were attained. Reporter Jenny Silva has a commentary concerning this:

[Begin recording] [Silva] Venezuela is preparing to issue public foreign debt bonds on the international financial market. However, the talks for placing this issue are completely independent from the ones held in New York after the last agreement on refinancing the debt.

[Jorge Marcano, public finance director of the Finance Ministry -- name and title shown on screen] It is true that we held these conversations, and some of those operations will soon take shape.

[Silva] What possibility of acceptance or receptivity have the Venezuelan proposals had in this regard?

[Marcano] They have been received very well. The international financial community considers the fact that a Latin American country, in this case Venezuela, is able to again voluntarily have access to the capital market as a very positive sign for the reestablishment of the normalcy in the credit situation, in the case of Venezuela, and in terms of the general problems of the foreign debt.

[Silva] Venezuela's intention is to establish a program of bonds sufficient to cover the sums that have been fixed for the payment of the foreign debt commitments. In accordance with the amount of bonds that the country places on the international capital market, it will gain new resources for internal investment, because the intention is to attract foreign capital within a short- and long-term strategy.

To date, our traditional markets have been Germany, Japan, and the United States; and we have been making some inroads into the Eurodollar market. If the bonds are placed with these three currencies -- which, after all, are the strongest on the international financial market -- it is unquestionable that this would strengthen the Venezuelan bonds, and strengthen confidence in Venezuela's image as a country with great potential for reinvestment in the financing of development projects. According to some experts, the consolidation of the issue of these bonds would be one more step in the country's efforts to reestablish its status as a triple-A-credit nation on the international financial market. That is why the agreement negotiated and achieved by Venezuela with the creditor banks last week is, in the opinion of many people, the most favorable for the country's interests given the current circumstances and bearing in mind that the situation of the larger debtor nations such as Mexico and Argentina tends to return to normal. [passage omitted]

In general, in the last week of February and the first week of March, all events point to a process of normalization in which satisfactory solutions are being sought for the countries that are undertaking negotiations to meet their international commitments. In this case, Venezuela, as a country that has not turned its back on commitments, now has the opportunity -- if it really takes advantage of it -- to once again absorb the loans that will permit the development of its plans for economic recovery and economic growth, and at the same time cancel its foreign debt commitments. [end recording]

MENDOZA TRAVELS TO U.S. TO DISCUSS IMMIGRATION

PA092206 Mexico City XEW Television Network in Spanish 1600 GMT 8 Mar 87

[Text] Chamber of Deputies President Eliseo Mendoza Berreuto said that Mexico will make sure that its points of view are taken into account when establishing the interpretation and application of the Simpson-Rodino immigration law.

Eliseo Mendoza Berrueto said that our country respects U.S. sovereignty, drafting laws, but the immigration problem has to be analyzed bilaterally. The Chamber of Deputies leader spoke minutes before leaving for Washington D.C., and New York where he will meet with U.S. senators and representatives.

Deputy Mendoza Barreuto explained that the purpose of his trip to the United States is to discuss the details of the topics which will be covered at the 17th Interparliamentary Meeting between President Miguel de la Madrid and President Ronald Reagan, which will take place in Mexico at the end of May.

With respect to Mexico's image, Mendoza Berrueto said that most U.S. deputies and senators [as heard] have a positive attitude toward Mexico. However, he said that it is the obligation of Mexicans that travel abroad to give a true idea of the economic, political, and social situation that prevails in our fatherland.

EL DIA TERMS U.S. AID TO CENTRAL AMERICA 'BLACKMAIL'

PA092108 Mexico City EL DIA in Spanish 4 Mar 87 p 13

[Unattributed article: "New Blackmail"]

[Text] Just a few days after the release of the Tower Commission report on the Irangate scandal -- which revealed, among other things, the clandestine U.S. network supporting the Nicaraguan counterrevolution and the attempts on the part of the Reagan administration to blackmail its Central American allies into being its accomplices in the contra aid operations -- the U.S. Government has disclosed its intention of releasing \$300 million in financial aid to El Salvador, Honduras, Guatemala, and Costa Rica as soon as possible.

As may be remembered, this amount was added on to the draft proposal for \$100 million in aid to the contras that the Reagan administration presented to Congress last year, which Congress finally approved in August. The inclusion of this aid for the benefit of the countries of the region, with the obvious exclusion of Nicaragua, was at the time a concession on Reagan's part, not only to eliminate the opposition in both legislative chambers to further aid to the contras, but also to obtain support for his policy from friendly governments on the isthmus.

The statement made yesterday by Elliott Abrams, assistant secretary of state for inter-American affairs, that the proposal to unfreeze the \$300 million for the Central American allies this year "is not related" to the contra aid initiative, is not altogether convincing.

Obviously, Abrams is aware that at this time the sensitive situation caused by the Irangate disclosures makes it inadvisable to recognize the link openly because this would reawaken suspicions, which the Tower report confirmed, about the blackmail methods used on Nicaragua's neighbors.

Moreover, the high-ranking State Department official must know that the matter of the link is purely formal, since he knows full well that the mere mention of the \$300 million will have the psychological effect of neutralizing many of the reservations congressmen are expressing about the feasibility of authorizing the disbursement to the contras of the last \$40 million of the \$100-million-aid package for the current fiscal year.

However, there seems to be yet another significant motive behind the announcement to request the speedy delivery of financial aid to El Salvador, Honduras, Guatemala, and Costa Rica just now, and that is the U.S. Government's need to modify some essential aspects of the so-called peace proposal issued in mid-February by Costa Rican President Oscar Arias.

His plans call for some measures that are hardly acceptable to the United States, such as the demand that the United States cease its support of the Nicaraguan contras, as well as abandon its demand that the Sandinist government start negotiations with the mercenary forces attempting to overthrow it.

Within this context, it is not unlikely that the Reagan administration may be attempting, by means of an offer of aid so badly needed by the deteriorated economies of its allies in the region, to force their governments to adjust the details of the Arias plan to fit U.S. interests.

This is thus a new, updated version of the blackmail policy, which once again will test the real determination of Nicaragua's neighbors to disassociate themselves from the strategy of military aggression that Washington has been implementing against the Sandinist government.

PRI NATIONAL ASSEMBLY STRESSES NEED TO CHANGE

FL091623 Mexico City NOTIMEX in Spanish 1946 GMT 7 Mar 87

[Text] Mexico City, 7 Mar (NOTIMEX) — The 13th National Assembly of the Ruling PRI Party has ended, with results that were termed positive and encouraging. The meeting helped update and strengthen the party's position on the new challenges that the country and Mexicans are facing, it was said during the closing event.

Topics of national interest, ranging from economic and budgetary affairs to educational and strictly political affairs were broached at the eight work tables. It was recognized, however, that many PRI principles clash with the reality that injustice and inequality, in greater or lesser degrees, persist in Mexico.

According to observers of the domestic political scene, during a single session PRI leader Jorge de la Vega Dominguez and his team were able to exorcise the figures of former Presidents Luis Echeverria and Jose Lopez Portillo, put into its place the so-called democratizing movement with severe warnings about internal discipline, and place the party on the starting line of the presidential succession race.

One of the outstanding agreements reached was that a permanent servicing of the foreign debt can in no way be maintained to the people's detriment. The PRI demanded that the federal government seek a concrete way to restore the standard of living of the masses. Price indexing was rejected as an economic option and making indiscriminate cuts on government budgets has been ruled out.

It was decided to give priority attention to social programs and to strictly supervise the state's role as regulator of the economy.

The conclusions stated that the Mexican political system must be trimmed down to advance a more convincing democracy.

The PRI pronouncements, made after 3 days of sessions, pointed out the need to overcome inefficiencies, guarantee individual and group liberties, maintain the mixed economy system, and support development, health, security, housing, transportation, and food programs. Meanwhile, the PRI pledged to increase efforts to maintain the right to strike as a constitutional achievement and a workers struggle instrument, and to fight for a prompt restoration of salaries' purchasing power. Based on the agreements reached during the national assembly, the desire to grow and progress and the capacity to offer better candidates to posts of national election must be turned into practical and realistic actions that will benefit the people.

In-depth changes in the official economic policy were demanded, as well as an acceleration of the reforms already set in motion. The PRI asked that the mechanisms to defend national sovereignty from foreign interests be revised.

The common denominator of the assembly was change. Change implies advancing and developing the party's popular strength based on the adoption of new struggle strategies and new programs, without remaining indifferent to the economic crisis the less protected social classes are experiencing, Humberto Lugo Gil, secretary of the PRI National Executive Committee, said.

Other agreements reached during the assembly were to have broadbased participation in party decisions and offer broader political opportunities for women and youths. Party principles were ratified, and the need to make objective and critical analyses of the current political, economic, and social crisis was stressed.

In presenting his conclusions about the main ideas that emerged during the meeting, PRI leader Jorge de la Vega Dominguez said that change must be accelerated because the traditional economic model has been exhausted by the current situation and the acute unbalances it has produced, which are powerful obstacles in the way of development.

He warned that the current situation demands a reordering of priorities to effectively improve the standard of living of the popular sectors. Regarding the electoral process and the election of the PRI candidate to the Presidency of the Republic, he said that in order to protect party unity it was agreed to respect the rules, pace, and rhythm of those actions.

The PRI advocated changes and a redirection of course. Now it will have to prove that the agreements, pronouncements, and goals that emerged from the assembly can become true, and not remain at the level of rhetorical poses, analysts and party critics have pointed out.

ARMY CONDUCTS SUCCESSFUL NARCOTIC OPERATIONS

PA092130 Mexico City XEW Television Network in Spanish 1600 GMT 8 Mar 87

[Report by Televisa correspondent Francisco Hernandez from Mazatlan -- live or recorded]

[Text] Troops from the 8th Infantry Battalion led by General Roberto Badillo Martinez managed to complete one of the most successful investigation and tracking operations during 1987 of drug traffickers in the northwestern part of the country.

During the last 15 days, the troops destroyed more than 185 hectares of marijuana, and have burned 80 tons of marijuana and poppies.

These operations coincided with investigations that detected in one of the most populous neighborhoods of the port of Mazatlan, the Benito Juarez, a base and laboratory to pack and process drugs.

The raid lasted more than 7 hours, and resulted in 16 detained, 3 injured, and 7 dead -- all of them presumed to be drug traffickers.

The Mexican Army carried out most of the operation and reported that they had confiscated more than 35 high-powered weapons, turrets [torretas], six walkie-talkies, and several vehicles.

CTM CALLS FOR DECREASE IN DEBT PAYMENTS

PA012053 Mexico City UNOMASUNO in Spanish 27 Feb 87 p 13

[Text] The renegotiation of the foreign debt has been inadequate and poses a problem for the future. Therefore, the Mexican Government together with its creditors must seek a substantial reduction of payments to service the foreign debt, cancel part of the debt, and earmark only a small proportion of nonoil exports to pay this debt.

An economic analysis drafted by the CTM [Confederation of Mexican Workers] for its 105th National Council -- which Mexican President Miguel de La Madrid inaugurated yesterday -- made those comments. Moreover, the document also questions the Incentives and Growth Program (PAC) for it is "vulnerable to external factors, since one of its requisites is that it should have foreign backing."

"So far, the loans that were agreed upon have not come in, and if their delivery is postponed this could frustrate the planned objectives. Moreover, despite, the PAC, the workers are still absorbing its cost. For that reason, the CTM is insisting on the need to reconsider the economic policy," the document stated.

This analysis asked for a greater watch on parallel banking in order to avoid financial speculation. It also asked for the redirection of duties and responsibilities of the nationalized banks and the enactment of laws on costs, prices, and profits that "would eliminate excessive profits and the distortion of prices that prevail in the market."

The CTM also stated its views regarding industrial modernization in a document that was prepared by its adviser Manuel Cadena Morales, director of the Panamerican Sulphur Co [Azufrera Panamericana], who requested that the process be implemented "democratically with the participation of workers whose opinions would be taken into consideration."

Cadena stated that the modernization process of the production centers should not imply greater unemployment, and he said that "it should be implemented in strict adherence to the positive and negative teachings of our immediate past so trial and error experiences are not repeated."

Moreover, the economic analysis that will be presented to the CTM council today will emphasize the problem of the foreign debt, the payments for which "should no longer be given priority or be paid with the transference of Mexican companies' stocks."

The CTM document states that "the resolution of this matter must be a definitive one because the current situation has created conditions in which debtors may find a favorable resolution for their countries' foreign debt problems through joint action."

In addition, the CTM has stated its opposition to an indiscriminate opening of the economy to foreign products. It has to be "very selective and gradual," the CTM stated. In matters of foreign trade, a policy of restricted imports is recommended through the establishment of a foreign exchange budget."

Likewise, the CTM demands the establishment of an effective policy of price control and stabilization to prevent a deterioration of the purchasing power and to stop inflation. "With this objective labor union organizations ratify their right to obtain information on the costs of production of enterprises. [no closing quotation mark as published]

Finally, the CTM insists on the need to recover the purchasing power of workers to prevent the domestic markets from collapsing, because while inflation increased 881.3 percent between 1982 and 1986, wages only increased by 578.6 percent during that period.

BRIEFS

MARIJUANA CONFISCATION -- Saltillo, Mexico, 7 Mar (NOTIMEX) -- The Federal Highway Police has confiscated a marijuana shipment worth more than 120 million pesos (more than \$120,000) and apprehended two suspected drug traffickers on kilometer 20 of the highway to the northern city of Monterrey. Commander Reynaldo Ascencio Cavazos reported that the drug was hidden in 44 bundles, between sacks of sorghum and corn, and was being transported on a truck traveling from Michoacan, with license tag NK-5183. The driver, Silvestre Parra, and Alfredo Guillen Sanchez were arrested. [Excerpts] [Mexico City NOTIMEX in Spanish 2348 GMT 7 Mar 87 FL]

ABADIA LETTER ON 'DISTORTION' OF LAW 96-70

PA091325 Panama City LA REPUBLICA DOMINICAL in Spanish 8 Mar 87 p 6-A

[Letter dated 28 February from Jorge Abadia Arias, Panamanian minister of foreign relations, to Luis Restrepo, writer of LA REPUBLICA "Vox Populi" Column]

[Text] Dear Mr Restrepo:

I have read with special attention your recent articles on the application of the provisions of Law 96-70, which represent a disregard for or distortion of the obligations clearly established in the Torrijos-Carter Treaties by the United States.

Partly because of your tenacious and patriotic work in alerting, instructing, and guiding national public opinion, the citizens in general have gained some understanding of the many obstacles that our nation faces to achieve full compliance with the Canal pacts, and they have realized that Law 96-70 is the main source of problems blocking the path to a fair and just development of the new legal relationship created by the 1977 agreements.

My work as head of the Foreign Ministry, just as the work of those who have preceded me in this position, has been directed toward firmly establishing the national government's position -- which is a true reflection of the desires of all citizens -- that the Torrijos-Carter Treaties must be scrupulously complied with and that it is inadmissible, unjust, and illegal, for one of the parties to fail to comply with the obligations agreed upon, claiming that it must respect domestic laws that run contrary to these international agreements.

These arguments have been fully advanced by the national government representatives in the Board of Directors of the Canal Commission, and within the binational bodies created by the treaties, as well as through all the diplomatic channels and at the main international forums.

Bearing in mind that we have been unable to resolve the majority of our differences with the other party, we are aware that we must persevere in our efforts and that we must use all available legal formulas to correct these irregularities. Our country depends on this to assume, in an orderly manner, the responsibility of ensuring that the canal will not [as published] be returned to us in good working order and that it will be in a condition to function efficiently under Panamanian control beginning at noon on 31 December 1999.

In relation to this national objective, I would like you to know, dear Mr Restrepo, that under no conditions will we allow the authority and prerogatives of the future Panamanian administrator of the canal be ignored or diminished. We must not overlook the fact that the appointment of a Panamanian administrator on 1 January 1990 will produce a momentous qualitative change in the Canal Commission and that this goal must become the symbol of our people's irreversible commitment to the complete liberation of our territory and our main natural resources.

However, for the sake of objectivity, I must point out that after reviewing the transcriptions of the January sessions of the Panama Canal Commission Board of Directors, I have confirmed that the chairman of the board did mention that it is still not clear how the future Panamanian administrator will interrelate with the U.S. Congress, but he did not say categorically that the functions of the Panamanian administrator would be assigned to another official, as you mentioned in a recent column. He may have said what he did because a bill has been presented to the U.S. Congress with the purpose of modifying the legal charter of the Panama Canal Commission, specifically the procedure that calls for the U.S. Congress to authorize the commission's budget.

Presently, the administrator has well-defined functions in those matters that require his presence before different Congressional committees and subcommittees and, if the bill is approved, those functions could change. In the struggle for our national interests, the more objective and zealous about the truth we are, the more moral strength our accusations will have.

The Foreign relations Ministry is closely following the legislative course of the aforementioned bill, especially all that is related to the authority and rank of the future Panamanian administrator. The position of the national government is that if the functions of this administrator are modified, the modifications must make these functions adhere more closely to the Panamanian position regarding the execution of the treaties.

Mr Restrepo, I hereby reiterate my esteem and my recognition of the support provided by your patriotic dedication to the functions of the ministry that I head, and your dedication to perfecting our independence and sovereignty throughout the national territory, which is the most precious legacy left to us by General Omar Torrijos Herrera.

Very truly yours,
Jorge Abadia Arias,
minister of foreign relations

CORRECTION TO FUGITIVES TURNED OVER TO U.S.

The following correction pertains to the brief headlined "Fugitives Turned Over to U.S.," published in the 9 March Latin America DAILY REPORT, page N 2. Make line four read: ... for more than \$1 million. Colombian Rueda Garcia ... (changing "\$2 billion" to \$1 million)

COSTA RICAARIAS SAYS COUNTRY WILL PAY FOREIGN DEBT

PA061445 San Jose Radio Reloj in Spanish 1200 GMT 6 Mar 87

[Text] President Oscar Arias has stated that the country will comply with its international financial commitments and recalled that it has been pointed out that it is necessary to allow the Third World countries to develop first and then pay their debts.

Arias said that our country is not turning problems into excuses for declaring a unilateral moratorium. He said that it is paradoxical that economic restrictions that had never been imposed on Latin America are being imposed now, precisely when this area most needs international understanding and support.

EL SALVADORPDC COMMUNIQUE ON 'PATH TOWARD DEMOCRACY'

PA100300 San Salvador LA PRENSA GRAFICA in Spanish 9 Mar 87 p 49

[Press communique issued by the Christian Democratic Party "sent yesterday" to the newspaper]

[Text] The Latin American nations are undergoing a period of crisis within their democracies, and one of the problems is finding new democratic paths that will be adequate to our times.

In our country, finding the path toward democracy is hard, bearing in mind that we never had any method of active democracy prior to 1979. That is the reason why many sectors are disoriented and do not seek any unification of criteria, because they are not interested in having any social justice.

The Christian Democratic Party [PDC] feels that if we do not try to maintain or appreciate the efforts of this administration, the future of our country is highly uncertain. Nobody, absolutely nobody, can predict what is going to happen, because if some sectors want to continue ruling or imposing government, they are hurting the efforts for democratization that are being made every day.

Since when have the people asked for a change? However, those same sectors never wanted to accept that reality, an error they are now paying for, because the guerrillas are the result of the great social injustice maintained in the past. The guerrillas do not want to understand now that the PDC has taken away the opportunity they wanted for reaching power. The PDC has taken from them this opportunity through the vote of the people, where they really do not have any support.

Therefore, one can conclude that the people want or prefer democracy instead of dictatorship or totalitarianism. It is for this country to progress, because this is a government of the people. It is not a matter of going back to old formulas or historical models -- as some would like -- of previous administrations that were unable to satisfy the new aspirations of the people or of resolving the current basic problems of the communities. This cannot be done, because the new living conditions also demand new solutions, for which Christian Democracy is struggling. As we said earlier, this is a government of the people and for the people.

Communications Office of the PDC

U.S. IMMIGRATION LAW, PLIGHT OF IMMIGRANTS VIEWED

PA092144 San Salvador La Voz Panamericana in Spanish 1400 GMT 8 Mar 87

[Homily by Father Jesus Delgado at the Metropolitan Cathedral in San Salvador -- live]

[Excerpt] [Passage omitted] I would like to refer to another thing. It is not a fact, only forecast. However, it will be a fact, and I want to refer to the forecast.

It is predicted that approximately half a million Salvadorans will be deported from the United States. This is not a fact yet, and I will not talk about that. I will talk about a fact: the Salvadorans' reaction to this -- and that is a fact. It breaks my heart to see how the news is received with pessimism, but I understand this. I understand that our country is currently withstanding a severe economic crisis; I understand that all the people who have gone to the United States were looking for a better future. They were even seeking a better future for the Salvadorans who stay behind because they send back dollars; this is something that everyone knows. I understand all this.

However, I am deeply grieved to think that the Salvadorans who remained behind see the possibility of their return to the homeland with such a negative spirit. I want to refer to that attitude. Brothers, this is the Salvadoran's homeland. The Salvadorans who go abroad live in a country where they are foreigners, where they are considered third or fourth class citizens. It is all right for them to send \$1.3 billion per year but, brothers, do you know how they earn those dollars over there? They sell marijuana; the girls who come from the countryside, Chalatenango, and the eastern area work as prostitutes. They work as slaves, blacks, or dogs -- persecuted by the law. The people who live in the United States avail themselves of the situation to exploit our people and pay them miserly wages. The \$1.3 billion sent here is stained with our people's sweat, sin, misery, and slavery. How terrible!

I offer mass every Sunday in the slums. A very poor family was leaving for Sweden. They left about 1 month ago. I asked them: What will you take to cover yourselves against the cold? They showed me a sweater like the ones we use here, but the weather over there is 40 degrees below zero. They do not know the country's language; everything is completely different from what we know, absolutely everything! How can the Salvadorans accept the fact that those people are suffering over there! We are suffering here but we are in our country. Even the rich and mighty who have a lot of money in Miami want to return to their homeland because they are considered first class citizens here but are considered third and fourth class citizens over there. It is much worse for the poor who went there. I am saddened by the negative attitude which has been adopted concerning this report.

Foreign Minister [Ricardo] Acevedo Peralta has spoken on behalf of the government. We will not neglect those people. We will try to find the way in which those who came here -- and those who stay there -- may make a living in a dignified way. Well, we hope this will become a reality. I have also heard some positive words from Mr [Victor] Steiner, president of the Chamber of Commerce and Industry, who says that if the government lets the private sector act with more dynamism, it could assimilate all those workers. Magnificent. This is another positive word, another positive attitude, as long as those workers are accepted with justice and dignity, according to our social justice.

However, in addition to those two positive attitudes, I have also heard sociologists -- who sound like apocalyptic prophets -- talk about the tremendous calamities that will afflict this country if those people ever return. Brothers, I would like us to act as Christians and think about those people over there, in a foreign country, like the Israelis in Babylon, withstanding calamities, youths selling drugs on the streets facing every possible danger and the police. Whenever a police patrol car approaches someone gives the sign and all escape. This goes on and on, day and night; it is a constant uncertainty. What kind of life is that? We have reason to rejoice because \$1.3 billion are sent to our country by the people who suffer in such different ways.

Brothers, if this ever takes place I think that our attitude should be this: Let us immediately end the war; let us all work; let us all create an atmosphere of understanding; let us end all the partisan speeches, silences, and stubborn attitudes at the assemblies, because this leads nowhere! Let us all prepare the country so that when those citizens return they may find a place to work and live, and so that they may again find their homeland and their relatives! This should be our attitude. I remind you of Kennedy's phrase: Ask not what the government can do for them, ask me what I can do for them! [sentence as heard] This must be your attitude. They are our brothers, Salvadorans, Salvadoran flesh and blood! We cannot accept the fact that they are suffering like slaves in those countries.

I want to conclude this reflection with a word of thanks for our friends and brothers, the North Americans, who have welcomed those people in one way or another. Bear in mind that our Salvadoran citizens know what they want and where they are going. No one has gone to Moscow or the Soviet Union, as far as I know; all have gone to the United States because they know that they will find a better life and future there. We say many bad things about the North Americans and we do not recognize the greatness of those people's souls. It is evident that such a large population creates problems for them at a given moment. I would therefore like to raise a plea to the supreme government of the United States so that -- with the North Americans' greatness of soul -- they reconsider their decision. If they still decide to expel the Salvadoran people, then I address you, brothers: Let us prepare our land so that these people are welcomed as best as possible and let us share with them what we have: sorrow and poverty. However, let us share it with affection and love. In the name of the Father, the Son and the Holy Ghost. Amen.

FEBRUARY, MARCH BATTLE REPORTS ROUNDUP

February Reports

PA081803 San Salvador LA NOTICIA in Spanish 6 Mar 87 p 4

[Text] According to information provided yesterday by the Salvadoran Army and the guerrillas, both sides suffered a total of 608 casualties in February.

The Armed Forces intensified its counterinsurgency operations and the search for rebel hideouts, especially in the most conflictive areas.

Meanwhile, throughout the month of February the FMLN maintained a sabotage campaign against the electricity system and carried out attacks and ambush operations against Army posts throughout the country.

According to the Armed Forces, in February the FMLN suffered 74 dead and 66 wounded and 9 of its militants deserted. The rebels also lost 85 rifles, 1 Uzi submachinegun, 160 grenades, 11 shells for 81-mm mortars, 1 shell for RPG-2 rocket-launchers, 23 mines, and 2 communications radios.

According to Coprefa the rebels killed 25 peasants, injured 39 others, and kidnapped another 62. They also attacked 57 vehicles and set fire to a coffee farm.

Radio Venceremos has reported that the FMLN inflicted 459 casualties on the Army. According to the clandestine radio station, 175 of the Army casualties were produced as a result of FMLN ambushes against military convoys.

The guerrillas also stated that in February they also damaged 3 U.S.-made military helicopters in Chalatenango and Morazan Departments and destroyed 115 light poles as well as power pylons and transformers.

March Reports

PA100005 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 9 Mar 87

[Coprefa communique]

[Text] During the past weekend, a total of 16 terrorists were killed and 18 wounded in clashes between FMLN columns and Army troops combing various parts of the country.

A total of 8 extremists were killed and 12 were wounded but managed to flee during one of the fiercest battles. The clash occurred near San Isidro, Morazan Department, where soldiers of the Lempa Battalion, of Military Detachment No 4 surprised an FMLN column. The military unit reported that one soldier was killed and two others were wounded and transferred to the military hospital in San Salvador.

Five other rebels died during a clash with members of the Salvadoran Air Force who were combing the area near El Zapotal Canton, Las Vueltas jurisdiction, Chalatenango Department. As a result of this action, three rifles of various calibers were seized, together with clips and ammunition.

In Nueva Concepcion, Chalatenango, another terrorist was killed when his column clashed with troops of the Artillery Brigade, which also confiscated an M-16 rifle and ammunition.

The 3d Infantry Brigade reported the death of one terrorist during a clash with its military patrol which surprised the rebels near Carolina, San Miguel jurisdiction. The soldiers seized an M-16 rifle and other war materiel.

Another extremist was killed during a clash with members of the 1st Infantry Brigade which occurred on the shores of the Chamulapa River, San Jose Guayabal jurisdiction, Cuscatlan Department. Following the clash, the military unit confiscated one M-16 rifle, one communications radio, two fragmentation grenades, and ammunition.

In another action, rebels killed Manuel Antonio Gonzalez Hernandez. He was killed in his own home in Rosales Canton, Santa Cruz Michapa jurisdiction, Cuscatlan Department.

It was also reported that in the San Antonio neighborhood, in San Sebastian, San Vicente Department, terrorists abducted Jose Rubidio Carranza and Jose Lisandro Rivas, whose whereabouts are unknown.

Meanwhile, subversive groups held up a drugstore in Guatajiagua, in Morazan Department, stealing all the medicine.

GUATEMALA

MILITARY POLICEMEN ARRESTED ON MURDER CHARGES

PA070116 Panama City ACAN in Spanish 1656 GMT 6 Mar 87

[Text] Guatemala City, 6 Mar (ACAN-EFE) -- It was reported today that three members of the Mobile Military Police (PMA) were arrested on charges of shooting two youths to death. One of the victims was Mario Enrique Paiz Berganza, son of the chief of the vice presidential staff.

Officials stated that the three PMA agents arrested are Victor Manuel Veliz Duarte, Adolfo Monzon Reyes, and Mario Antonio Santizo. They have been referred to a military court.

The officials added that three civilians implicated in the murders of Paiz Berganza and of Hector Ovidio Rondas are still at large. The murders occurred on 12 February on the highway that links Guatemala City to San Salvador.

Paiz Berganza and Ovidio Rondas were abducted in Guatemala City on the night of 11 February and were found shot to death on the road to El Salvador a day later.

The bodies showed signs of violence and several 9-mm bullet holes, made by a weapon used only by the Guatemalan Army.

It was reported that these murders were investigated by "military units," resulting in the arrest of the three policemen. The three civilians, whose names were not given, are being sought by authorities.

The police said that the six people implicated in this crime "were involved in a criminal conspiracy and that the murder of the two young men was only one of the activities carried out by the policemen during their off-duty time."

However, the reason for the double crime is unknown, and the PMA said it would continue investigating in order to capture the three civilians, who are also implicated in other acts of violence.

HONDURASARMED FORCES REPORT SANDINIST BORDER INCURSION

PA091417 Panama City ACAN in Spanish 1356 GMT 9 Mar 87

[Text] Tegucigalpa, 9 Mar (ACAN-EFE) -- The Honduran Armed Forces reported today that the Sandinists staged a military incursion on the southern department of Choluteca on the Nicaraguan border.

Manuel Enrique Suarez Benavidez, director of public relations of the Armed Forces, said that "there was a Sandinist incursion Friday night, although we still do not have any reports on civilian or military casualties."

He explained that the high command is conducting investigations and that local troops were dispatched to the area of the incursion to evict the Sandinists. Thus far there have been no reports of clashes or damages inflicted by the intruders.

Unofficial reports indicate that some civilians of Palo Verde were killed and wounded by the Sandinists, but hospitals in the region have not confirmed treating any wounded or receiving any bodies.

NICARAGUACOSEP LEADER CUADRA, 10 CDN MEMBERS FREED

PA100313 Paris AFP in Spanish 0242 GMT 10 Mar 87

[Text] Managua, 9 Mar (AFP) -- It has been reported here that Gilberto Cuadra, vice president of the Nicaraguan Higher Council of Private Enterprises, [COSEP] who was detained yesterday during a demonstration by opponents of the Sandinist government, was freed this evening by the Nicaraguan authorities.

In addition to Cuadra, a group of 10 leaders of the Nicaraguan Democratic Coordinating Board [CDN] were freed, after having clashed yesterday with police during an act commemorating International Women's Day.

FOREIGN MINISTRY PROTESTS HONDURAN ATTACKS

PA100237 Managua Domestic Service in Spanish 0155 GMT 10 Mar 87

[Foreign Ministry protest note to Honduras dated 9 March]

[Text] At 1225 on 6 March, troops of the Honduran Army's 11th Infantry Battalion attacked the Nicaraguan sector known as Chocolate, 1 km south of Santo Tomas del Nance in Chinandega Department, from Honduran territory. Several Nicaraguan citizens were wounded as a result of that attack.

At 1430 today, 9 March, soldiers of the same battalion attacked Santo Tomas del Nance, located 5 km north of Somotillo in the same Chinandega Department, with 120 mm mortars. As a result of that attack, Nicaraguan citizens were killed. The civilians killed were Gustavo Rodriguez, 14; Denis Fernandez, 13; and Juan de Dios Martinez, 16. In addition, Marvin Antonio Aquino Mendez, a soldier of the EPS Border Guards was seriously wounded.

The Nicaraguan Government strongly and formally protests these attacks against Nicaraguan territory and the death of the Nicaraguan citizens mentioned above, and requests the Honduran Government to thoroughly investigate the incidents and punish those who are responsible for these illegal attacks.

[Signed] Acting Foreign Minister Victor Hugo Tinoco

ARTURO CRUZ' RESIGNATION FROM UNO ANNOUNCED

PA092141 Paris AFP in Spanish 2115 GMT 9 Mar 87

[Text] Washington, 9 Mar (AFP) -- The anti-Sandinist leader Arturo Cruz has resigned from the directorate of the Nicaraguan Opposition Unity (UNO, the U.S.-sponsored political alliance that supports the contras), the leader's son, Arturito Cruz, announced here today. He did not disclose the reasons for the resignation presented by his father, who -- he said -- will explain the reasons in an article to appear on Tuesday in THE MIAMI HERALD.

Cruz' son merely said his father was sick and tired "of the mentality" of the counterrevolutionary movement.

"I was shocked," said Cruz' son when he learned of his father's resignation.

Cruz, a former ambassador of the Sandinist government to Washington, is in Costa Rica.

Last month, Cruz reiterated a threat that he would resign, following the resignation of his adversary at the UNO, Adolfo Calero, who controls the main U.S.-sponsored anti-Sandinist military force, the FDN.

Cruz, who is less conservative than Calero, had given the FDN a June deadline to form a single military force under a general staff headed by one of his allies.

Further on Resignation

PA100105 Managua International Service in Spanish 2352 GMT 9 Mar 87

[Text] [Words indistinct] Arturo Cruz has resigned from the Somozist counterrevolutionary directorate. The [words indistinct] of the mercenaries made the announcement this afternoon [words indistinct] in San Jose, Costa Rica. It is true, Mr Cruz told the reporters who questioned him while he was at the Costa Rican Foreign Ministry. Arturo Cruz was at the Costa Rican Foreign Ministry because the Oscar Arias administration has banned the Somozist chieftains from holding meetings in that country.

Robelo Comment

PA092244 San Jose Radio Reloj in Spanish 2215 GMT 9 Mar 87

[Text] Attention, this is a last-minute report. The Costa Rican Government has reasserted to Nicaraguan Opposition Unity, UNO, leaders Alfonso Robelo and Pedro Joaquin Chamorro that the government will not allow any action that compromises the country's neutrality.

The government decision was adopted yesterday after a meeting between Foreign Minister Rodrigo Madrigal Nieto and the president of the Republic to analyze the UNO resolution issued on 4 March in Miami. The foreign minister called Robelo and Chamorro Barrios to officially deliver the document which contains the government's decision.

We talked with Alfonso Robelo about the resignation of Arturo Cruz, the other UNO member, and he said the following:

[Begin recording] [Robelo] This was due to personal reasons: I prefer to let him explain that. He is a patriot and a Nicaraguan who has fought and feels that he has done his best. That is the reason for his resignation. It is entirely a personal reason. I prefer to let him explain that.

[Question indistinct]

[Robelo] [Words indistinct] struggle because he is a patriot.

[Question indistinct]

[Robelo] No, the UNO is an instrument for our struggle and we are exerting ourselves to liberate Nicaragua. Referring to the government's decision, well, we will talk with the foreign minister -- if that is possible.

[Question indistinct]

[Robelo] Yes, that is clear and we respect it. That is why we came to talk with the foreign minister. All right? [end recording]

Official Foreign Ministry spokesperson Marta Nunez has reported that Foreign Minister Rodrigo Madrigal Nieto briefly met with Chamorro Barrios and Alfonso Robelo separately to reassert the notification that the government will not allow any action by anti-Sandinist leaders that compromises the country's neutrality.

Cruz on UNO Situation

PA100138 Panama City ACAN in Spanish 0026 GMT 10 Mar 87

[Excerpts] San Jose, 9 Mar (ACAN-EFE) -- Arturo Cruz today asserted that his resignation as Nicaraguan Opposition Unity [UNO] leader was prompted by the lack of a political will in the contra organization to carry out certain reforms.

The anti-Sandinist leader said that he advocated several changes, but the only one accepted stated that the UNO directorate should control the economic resources.

Cruz, who was a member of UNO's directorate along with Alfonso Robelo and Pedro Joaquin Chamorro, said that on 19 February he had stated that this was the provision he demanded to remain in charge of the anti-Sandinist alliance, which was founded 1 year ago in the United States.

The other reforms advocated by Cruz were that the military command should be given to a civilian and not to Colonel Enrique Bermudez, a former member of Anastasio Somoza's National Guard, and that the contra forces should be politically reorganized.

"The time is up, and I do not think that I can contribute in any way by staying another minute," he said when coming out of the Costa Rican Foreign Ministry, where Foreign Minister Rodrigo Madrigal Nieto met separately with the three directorate members.

"I think that there is a lack of a political will" to carry out those reforms, he added after recalling that on 19 February he had decided to remain in the UNO directorate with the intention of sponsoring those changes. [passage omitted]

Robelo was consulted on the effects that Cruz' resignation might have on the anti-Sandinist movement, and he predicted a weakening; meanwhile, Chamorro said: "It is too premature to evaluate the effects" of this resignation.

"This weakens the struggle," Robelo stated when consulted by ACAN-EFE. He said the resignation was presented for "personal reasons."

Also, Chamorro said he does not believe this will generate a crisis in the UNO. He added: "We have enough motives to remain united and a resignation will not make those motives disappear. The UNO will overcome the problem."

The three anti-Sandinist leaders met separately today with Foreign Minister Madrigal Nieto to personally learn about the Costa Rican Government's decision to limit their political space in that country if they decide to control the funds for an armed struggle against the Nicaraguan Government.

A diplomatic source told ACAN-EFE that Madrigal Nieto met with Chamorro, who arrived first, and explained the Costa Rican Government's decision so that he could report it to Cruz, who arrived at the specified time, and to Robelo, who arrived 15 minutes later.

The source added that the foreign minister only greeted Cruz and Robelo in his office because he had another diplomatic commitment at that same hour.

Robelo, Cruz, and Calero [name as received] said they will analyze the decision to control the funds for the military struggle, a matter which is entirely up to the Reagan administration, which has directly channeled the funds to the armed groups, bypassing the UNO directorate.

Chamorro told ACAN-EFE that the UNO's central offices will remain in Miami and added that they will no longer hold assemblies in this capital because "we respect the laws and neutrality" of Costa Rica.

CONTRAS REACT TO COSTA RICAN COMMUNIQUE

PA091611 San Jose Radio Reloj in Spanish 1200 GMT 9 Mar 87

[Text] The Nicaraguan Opposition Unity [UNO] could reconsider the decision to manage the funds for military struggle so as to avoid violating Costa Rica's neutrality. Leaders Alfonso Robelo and Pedro Joaquin Chamorro stated this yesterday following the government's decision to analyze the new situation of the contras in our country. The contras decided in the United States to manage the resources for the armed struggle against Nicaragua.

The government communique, which was released yesterday, bans anti-Sandinist leaders from holding meetings. If they violate this rule their political asylum will be suspended and they will have to leave Costa Rican territory immediately. Robelo and Chamorro, who participated in a UNO meeting held in San Jose this weekend, said that the decision to manage the funds for the armed struggle is subject to the attitude assumed by the donors, the United States in this case. Chamorro recalled that the funds are currently being channeled by the United States directly to the war fronts without going through the UNO leadership. The leadership now wants the funds to go through them. However, in view of the new position of the Arias administration, the UNO leadership will have to change this decision which was made in Miami on 4 March.

The UNO leaders said that they respect Costa Rican laws and the neutrality and they told Foreign Minister Rodrigo Madrigal Nieto, at a meeting being held this week, that they will only carry out political activities here. The UNO assembly rejected the proposal to expand the number of members from 28 to 48 and to accept two new organizations, the Southern Opposition Bloc and Misurasata [Miskito, Sumu, Rama, Sandinist Unity], made up of the Indians of Nicaragua's Atlantic coast. In addition, changes were made in the election of leadership members. From now on, they will need the approval of two-thirds of the members rather than being chosen by a simple majority.

Cruz on 'Warning' to UNO

PA092333 San Jose Radio Reloj in Spanish 2243 GMT 9 Mar 87

[Text] Leaders of the Nicaraguan Opposition Unity, UNO, have said that they respect the Costa Rican Government's decision and that the agreement signed on 4 March in Miami refers to the handling of political and not military or economic resources. In that regard, Arturo Cruz, now a dissident of UNO's directorate, said:

[Begin recording] On behalf of the directorate I would like to say that the idea expressed in the press communique has to do mainly with the control of political resources. In other words, there is no intention of assuming military purchases, so to say. The directorate has never been engaged in that activity; it has merely been informed, which is a different thing. I understand that in due time Pedro Joaquin Chamorro and Alfonso Robelo, members of the directorate, will make the necessary clarifications in this regard. [Words indistinct] both Chamorro and Robelo, that the Nicaraguan resistance is very respectful of all the decisions adopted by the friendly Costa Rican Government, of all the decisions that this democratic nation deems appropriate. [end recording]

We have just heard a statement by Arturo Cruz regarding a warning made by the foreign minister on behalf of the government to the leaders of the UNO or other anti-Sandinist groups to the effect that they should refrain from conducting or organizing any military action against the Nicaraguan regime, because that would imperil the policy of neutrality adopted by the Costa Rican Government.

BORGE QUERIED ON DOMESTIC, FOREIGN ISSUES

PA061551 Mexico City EL DIA in Spanish 1 Mar 87 p 14

[Part one of Gregorio Selser report on news conference given by Interior Minister Tomas Borge Martinez to Swedish and Mexican reporters at Xiloa, Nicaragua; no date given -- words within slantlines published in boldface]

[Text] Managua -- On the eve of his trip to Lima, Peru, Commander Thomas Borge, Nicaraguan interior minister, agreed to field questions from a group of Swedish and Mexican reporters and this journalist without prior agenda. The questioning went on for several hours in the beautiful setting of the popular Xiloa beach resort, some 40 km from Managua.

Depending on the interest of the interviewers, the questions centered mainly on religious issues -- beginning with the current efforts to solve the crisis in the relations between the government and the local church hierarchy -- the autonomy for the Atlantic coast region, with an inevitable reference to the Miskito, Sumu, and Rama Indians; the status of the armed conflict with the counterrevolutionaries financed by the United States; and unexpectedly, the drug traffic, which came to light because recently an official in Washington had again repeated the tale that the Sandinist government is involved in this illegal activity.

A transcript of a major portion of the interview follows:

Question: You are in charge of the matter of autonomy for the Atlantic coast region and, consequently, of the status of the Miskito Indians and other ethnic groups in the region. How are things there now?

Borge: Before we delve into this topic, I must explain that no political activities of any consequence were carried out against Somoza on the Atlantic coast. The coastal people have always been ostracized from political activities in the country. They did participate to some extent in the armed struggle of the 1926 rebellion, the one by [General Jose Maria] Moncada, and in other fighting but in nothing else after that, and the FSLN had little political influence on the coastal people. Besides, we knew nothing about the concrete political reality in the Atlantic coast. Therefore, the absence of participation, on the one hand, and our lack of knowledge, on the other, gave rise to misunderstandings between the FSLN and the coastal people.

According to a law of history, one cannot transform a reality one does not know. Therefore, we had to have access to that reality to begin to change it. There was talk of a waking giant at first. This is a region with huge economic resources which may be of strategic importance to the country's economic development. We sent people there when the revolution was won. Our cadres went there and mechanically tried to impose the Pacific region's organic and political experiences on the Atlantic coast, which has a completely different situation. So they tried to form the CDS [Sandinist Defense Committees], the trade unions, and the mass organizations in general with the same models. This serious mistake caused a conflict with the coastal people and particularly with the Miskitos, who have the most distinctive traits in the region. Their historical aspirations and their old demands began to surface.

There was talk of autonomy for the Atlantic coast for the first time. The Sandinists who were there thought that this aspiration was a separatist attempt and, although it is true that some of the coastal leaders had and still have this idea in mind, most of them do not. Through our closer contact with this reality we began to understand the nature of this aspiration. We realized that we had to endorse it, and that is how the idea to bring it to fruition was born. The plan, which is extraordinarily democratic, has been discussed in even the most remote areas of the region and has been enriched with the criteria and contributions of its inhabitants.

However, until this was done the initial mistakes caused conflicts of a different nature, on which imperialism rapidly seized. There were violent confrontations between Sandinists and Miskitos, and this gave rise to a war that was encouraged by the CIA. So, the problem on the coast could not be like the one we had with the FDN. The Miskitos' basic demand was right and just. At the same time we raised the banner of the economy we implemented a policy of negotiation with the rebels. Now one can talk of almost absolute peace on the Atlantic coast.

The few armed clashes that occurred there were with the FDN and not with Miskito groups up in arms. These Miskito groups have been increasing their participation in the struggle for peace. We have not taken their weapons away from them. They are no longer using them against the revolution but to defend peace, which is a way to defend the revolution. There are still small groups that are very inactive and are negotiating with us. In general, the coastal people are spreading the autonomy of their region, and they no longer clash with us.

Question: In addition to accusations about the "genocide" of Miskitos, the CIA had other charges: the attack on religion and/or the Catholic Church, the anti-Semitism, the arms traffic, and the drug traffic, a topic which is very sensitive to the North Americans because they already have approximately 20 million drug addicts. Reagan based his accusation on a photo that showed people with identifiable faces at a moment when they were handling bundles next to what looked like a plane. Reagan said that one of these people works for you. According to Reagan, the bundles were bags full of drugs, but they could also be full of hay or corn. However, who is to refute Reagan with such weak "evidence?"

Borge: That man, Vaughn, never worked for me. He worked for a private company and, in the wake of the accusation or shortly before it, he disappeared. It is said that he is in Costa Rica or in Colombia. However, it is interesting to note that the alleged pilot who took the picture — supposedly from a moving plane — was killed. He was riddled with bullets.

Question: Yes, it happened in Florida, and the gringo press reported the case as a typical settling of accounts among drug traffickers.

Borge: The important matter here is that the U.S. Drug Enforcement Agency has twice stated: "These accusations about the Nicaraguan revolutionary leaders' involvement in drug trafficking are false. We have no evidence to back such claims." Therefore, in addition to being acquitted by that official U.S. organization, we are being acquitted by common sense, the most important court on earth. Imagine us trafficking drugs! If we were doing it, we would be doing that seriously. We would not be trafficking 5 lbs of cocaine but tons.... [paragraph continues]

If we were that immoral and criminal to get involved in a business that is that profitable -- I have not forgotten that drug traffickers in the United States are curiously "untouchable" -- the millions of dollars they earn would have solved part, if not all, of our economic and financial problems. If we were not foolish to get involved in drug trafficking, it would not be for 10 lbs but for 10 tons of cocaine. That is, if we were that immoral.

No one can get involved in drug trafficking here. Perhaps one could traffic small quantities, a few pounds maybe, but without us knowing about it or without our consent. It is difficult for a big shipment of tons to escape our control. If there were widespread drug trafficking here, just as happens in other countries where top officials are bribed... but not us, damn it, we are not going to sell ourselves off for dollars, cocaine, or anything....

Question: That reminds me that as a result of the /Irancontragate/ disclosures, the /contra/ links with drug trafficking, including the Colombia-Costa Rica-Miami connections came to light. The report of Senator John Kerry had previously touched on the subject. The "explanation" that Shultz and Abrams gave was that the /contras/ resorted to drug trafficking when Congress decided to suspend the military aid. Isn't that great?

Borge: If we used that same logic of criminals and mafiosos, we could argue something similar, that in view of the economic embargo that Reagan has imposed on us, we poor Nicaraguans had no other alternative but to traffic in cocaine and to send it to U.S. youths to further contribute to their decay. However, that would run counter to our principles, and it would be immoral. That is logical for them, whose "morals" are based on material wealth and on profit whatever the means. Why, the same men who now lead the contras were the ones who trafficked in blood in Nicaragua! Didn't they have the Plasmaferesis company that the people burned when the Somozas assassinated Pedro Joaquin Chamorro? Wasn't "Chiquin" [Anastasio Somoza Portocarrero] Somoza linked to the Cubans of Miami? If they could traffic in human blood, why wouldn't they traffic with drugs?

Question: To think that Pedro Joaquin Chamorro was assassinated because he denounced the Plasmaferesis dealings, and now Perdo Joaquin Junior agrees to be in the UNO [Nicaraguan Opposition Unity] with the accomplices of his father's assassins!

Borge: That is another unfortunate topic, but let me tell you that in addition to our moral principles and convictions, we could not be drug traffickers because of an additional detail, because of an essentially political precaution, because we are under much surveillance, we are very vulnerable. If imperialism were to use its investigative methods and means in Costa Rica as it uses them regarding us, who knows how many things it would have discovered about the Costa Rican connection? We could not be drug traffickers not only because of moral principles, which for us are fundamental, but also because of political expertise and caution. Or is it that the United States does not know which are the countries where there is drug production and trafficking?

Question: In any case, the state police and security are aware of this problem because I understand that people are in prison for drug trafficking?

Borge: Yes, here in Nicaragua no one dares bribe the police who earn very low wages and live poorly. Who is going to dare propose to me or any leader of the revolution such a business? The Nicaraguan police are one of the most poorly paid forces in the world, but they are also one of the most honest, and this is explained by the existence of a new morality and in addition because in the face of any sign of corruption, the revolution is watchful; it is on top of things, and immediately arrests are made. Of course, this did not prevent young men from giving concessions in the granting of licenses in the Traffic Directorate, but they went to jail as soon as this was discovered. I am not saying that there is no corruption in some individuals, but we are always on top of things, and this year we will be even more diligent in preventing any public official from utilizing his share of power to get rich.

Question: Commander, you mentioned the figure of 7,000 prisoners. On this subject, U.S. psychological warfare is giving figures as disparate as they are outlandish. It refers to "thousands" of "political" prisoners (including former Somozist guardsmen) as well as a total of "over 12,000". Could you comment on these figures?

Borge: There are a total of 8,000 inmates. This figure includes common criminals, who comprise the majority, counterrevolutionary prisoners, and former guardsmen. At present, I cannot give you a breakdown of these figures because I do not remember them. Moreover, there is a large number of people in jail for violating military laws or Sandinist officers who violated common laws. For example, in Matagalpa, the majority of the inmates belong to the Interior Ministry's Army, that is, over half of the 1,000 inmates. Why? Because they violated the law or were disrespectful to the citizens or peasants. We were very strict there. That is a war zone, and we punished any abuse no matter how insignificant it might have been. We have to be particularly strict to avoid abuses. This week we will issue very exact figures on this problem. No one is going to say that we do not punish the crimes and errors of our soldiers with the same severity with which we punish the rest of the people.

Question: I recall hearing about a program to "rehabilitate" former guardsmen as well as to reeducate common criminals. What happened to it?

Borge: At first, we released many guardsmen, but most of them joined the counterrevolution. However, a numerically significant sector is at the open farm prison system. Former guardsmen, common criminals, and revolutionaries live there. There are no armed guards at these farms, and anyone who wants to can escape. However, few have done so. There we have a very large number of prisoners working. Our goal is for all of them to work; however, so far only 60 percent of them do. They perform different tasks in construction or harvesting cotton or coffee. They are involved in livestock production in the Chiltepe peninsula, and in Chiltepe ceramic factory. Many of them work in building schools and housing.

At present, we are building 1.5 houses every day. Our goal is to build 5 every day. The inmates also work at an important boot factory. Working double shifts, we could manufacture 4,000 pairs of boots every year. They are engaged in a variety of activities. They are very efficient because they get a lot of incentives. In addition to their pay, visits from their relatives, conjugal visits, and home leave depend on their conduct. Every 3 months, they get 15 days leave. In addition, they are allowed to shop at the market. We already have seven open farms in the country.

Question: Why are these farms successful?

Borge: I told them: "You are in jail here, you cannot leave. However, the lock we have put to keep you in is our trust in you as men, and as persons." They have not left. No one has escaped. We are going to build a farm for women. We are going to call it a jail because we have to call it something. However, it will not be like a jail at all, because it is a house that was expropriated. It has a swimming pool, halls... We will have to build dormitories for them. Still, the sewing rooms will be the gathering places. To be sure, we will not have armed guards there either, just minor vigilance. They will be able to hold their own fashion shows, work on their projects with black coral pieces, make handicrafts, clothing, and things that can be sold outside. This project is almost complete.

Some people in the streets are complaining because the inmates live better than they do. They protest that we are "pampering" the inmates. I tell them that even under benign conditions, it is hard to be in jail. Man was made to be free. Any sort of restriction on his freedom is always painful. In addition, when we were in the Somozist jails we felt and got the support and solidarity of the people. We felt proud of our role as prisoners because that was one way of fighting from the jails. However, these inmates are rejected by the people. They are doubly unfortunate. Therefore, we are doubly obliged to be generous with them and to keep in mind that they are human beings.

Question: How many years were you in jail?

Borge: I was in jail on two occasions and served 2 and 1/2 years each time; 5 years in all.

Question: Why was Eugene Hasenfus released? The Mexican media reported that you gave him a crucifix and that, 1 day before he left, you also gave him the key to his cell as a memento....

Borge: I have a collection of crucifixes and I gave him one. He was anxious to meet with his family for the Christmas holidays. A newspaper said that "Hasenfus did not fall from heaven," but I believe he did. Heaven sent him because his fall was timely. It contributed to the unmasking of Reagan's policy. That fall from heaven was so timely that we felt that we should not make him a martyr. We felt we had to present him as he was, another victim of Reagan's policy. By releasing him we wanted to show that the U.S. Government, not Hasenfus, was guilty.

Of course, he would not have gotten out of jail had it not been for the traditional generosity of the revolution. He was sentenced to 30 years, but we thought that we had to show that he was the victim, not us. That man did not know what he was getting into. He was a mercenary who was being paid to come here and drop weapons. He would have come here just the same if he were paid to drop flowers. He was amazed to see that no one was mistreating or beating him here. When he was released he thanked God, and I told him: "Look, we are releasing you not so that you can speak well of the revolution. You can say what you want. In addition, you are going to the United States, and we cannot control you there." We felt that his release was without any conditions. He should not feel that he was obliged to do anything. We delivered him to Senator Christopher Dodd without any conditions. We were happy to learn that he had a happy Christmas with his wife and children.

Question: Then the Hall incident occurred...

Borge: Yes, I was asked if that man was going to spend Christmas at home and I replied: "neither this one nor the others." But at the time I did not know that Hall was crazy. It is inhuman and dangerous to keep a crazy man in jail.

Question: During Christmas, the parish priest of a Managua neighborhood, who greeted a group of Mexicans who were going to help in the coffee harvest, was not too convinced about the reasons for Hasenfus' release. He said: "I think that the government should have prepared the people for this." A mother said: "I have suffered more over Hasenfus' release than over the death of my son."

Borge: It is possible that we should have explained the decision or that we should have given a more thorough or better explanation. When a mother loses her son, a sister loses a brother or a dear one, sometimes it is extremely painful and unexplainable for them to understand the generosity of the revolution. However, we have been that generous more out of principle than out of advantage.

Question: Why did you give Hasenfus a crucifix from your collection?

Borge: Well, this man could have spent 30 years in jail, and I believe that the revolution has a Christian origin. It is also generous. This man had Christ to thank, too. We are not foreign to those religious feelings. I believe that Christ, now that I think about it, was the archetype of kindness.

Question: Let us turn to another topic. In Costa Rica, the /contras/ have broad freedom to announce their warlike plans in the local media. They announced the resurgence of the so-called "Southern Front" with the participation of FDN forces which have "emigrated" from Honduras even though President Oscar Arias has said he will not allow it. Clashes have again taken place on the border and we should not forget the two-facedness of the "active and perpetually neutral" Luis Alberto Monge....

Borge: The FDN plans to create a southern front, and it is true that it has sent forces from Honduras. It has had serious difficulties with the echelons of our Army. Nevertheless, it has been able to reach the south and the Matagalpa task force and part of the Jorge Salazar Regional Command are there. Some /contra/ chiefs have been able to reach the south and have joined remnants of ARDE who have joined the FDN, at least formally, because there are serious disagreements among them. The ARDE /contra/ group has been liquidated and another group led by Fernando Chamorro has also been disbanded so the only option there for the /contras/ is not Brooklyn Rivera, Pastora, Chamorro, or anyone who is not from the FDN.

They are now trying to do something and their efforts are directed at hitting, blocking and, as much as possible, controlling the road to Rama because of its strategic value. We do not think that they will be able to do so. They have not even been able to get close to the road, but it is possible that they will try to blow up bridges and stage other sabotage actions to block this road along which important resources for the country's defense, economy, and strategy pass.

Question: Honduran President Azcona has said that the gringos do not need to use Honduras as a launching pad for an invasion because they have 800 km along the Atlantic coast to choose where to land. Is that right?

Borge: The /contra/ forces need Honduras like they need oxygen. The /contras/ cannot install their hospitals, supply warehouses, and rest areas on the sea. They have entered by sea, and in fact there are no obstacles to do this but to where would they escape? Therefore, Honduras will always be a sanctuary, a place for retreat, and the place from which the /contras/ can infiltrate regardless of what Azcona thinks and even regardless of what the Yankees want. The hospitals, storage and supply centers, food, resources, and weapons are there. That is where they return to treat the wounded. It is possible that they might be moving their camps to other locations and getting closer to the Atlantic, which means that they will also experience greater difficulties in their infiltration.

It might also be that Azcona will launch a propaganda maneuver and that he might even send journalists to tell them: "See, there is no one here." But in reality, the /contras/ will remain in Honduran territory as long as it is convenient for Yankees and as long as this is not prohibited by the Honduran Armed Forces, whose complicity and cooperation they have counted on from the beginning.

CHURCH GROUP ISSUES LETTER ON AREA SITUATION

PA181700 Managua Domestic Service in Spanish 0300 GMT 18 Feb 87

[Text] The Latin American Council of Churches [Consejo Latinoamericano de Iglesias -- CLAI] issued a letter to Managua today as the final document of the annual meeting that took place in Managua 2-6 February.

The letter analyzes the situation that Nicaragua is experiencing while being attacked by Yankee imperialism, and it adds that the council members came to Managua to express solidarity with this long-suffering people.

Nicaragua is an appropriate place to understand together the words of Jesus in a Latin American context, the letter says. Nicaragua is a country where our continent's fatigue and burden is concentrated, the letter added.

In the letter to Managua, the CLAI board of directors and secretariat encouraged the Latin American, Canadian, U.S., and European churches to continue being true disciples of Jesus, a path that often entails difficulty and disagreements with the great empire.

BRITISH SHIPS REPORTEDLY SUPPLYING CONTRAS

PA092103 Havana International Service in Spanish 2300 GMT 8 Mar 87

[Text] John Collins, a former British Army officer, revealed in London that the U.S. and British Governments had given their approval for British personnel and ships to involve themselves in financing operations for the Nicaraguan counterrevolutionary bands operating in Costa Rica.

Collins revealed to the local weekly THE OBSERVER that he had been recruited in February 1986 as first officer of the British ship Silversea with the mission of transporting a cargo of arms and war materiel in the amount of \$27 million to Costa Rican mercenary bases. He said that the operation, which failed because of bad weather, ruined the first of six trips that had been planned to take supplies to the Nicaraguan counterrevolutionaries. He added that, at that time, the weather conditions had forced the Silversea to seek haven in the French port of Brest, where the local police confiscated the cargo made up of three camouflaged jeeps, 70 uniforms, 5 inflatable boats with outboard motors and 18 radio receivers and transmitters, among other items.

Collins said that, after he had been questioned upon his return to Great Britain, members of the British Police Special Brigade ordered him to keep quiet about the matter.

GUATEMALA'S CEREZO TO REPRESS PROTESTS

PA062050 Havana International Service in Spanish 1800 GMT 6 Mar 87

[Text] The regime of Guatemalan President Vinicio Cerezo will take strong measures against protest movements and activities, according to an announcement by Special Affairs Minister Alfonso Cabrera.

Cabrera noted that the president of that Central American nation will take a heavy hand in dealing with whoever protests against difficult life conditions and government noncompliance with promises on matters such as salary policies, demands for land, and human rights.

Cabrera also denied that 27 deputies of the governing Guatemalan Christian Democratic Party want to abandon the party, and that a note has been sent to the president calling for the reorganization of his cabinet.

SALVADORAN REBEL RADIO CITED ON ARMY 'TERROR'

PA091940 Havana International Service in Spanish 1600 GMT 9 Mar 87

[Text] The Salvadoran guerrillas have accused the regime's Army of carrying out a campaign of terror against the civilian population of northern Chalatenango Department. The insurgent Radio Farabundo Marti charged that in recent days the Salvadoran Air Force has transported troops to Zapotal canton and strafed the surrounding area. The station reported that the Army has also increased kidnappings, threats, and attacks in eastern Chalatenango and is preventing delivery of food and supplies there. The FMLN demanded an immediate halt to the acts of terror against the residents of that department.

DOMINICAN LEADER CITES 'ADMIRATION' FOR CASTRO

PA091936 Havana International Service in Spanish 1600 GMT 9 Mar 87

[Text] Dominican President Joaquin Balaguer has expressed his admiration for top Cuban leader Fidel Castro, and has announced that his country will continue in cultural and sports exchanges with Cuba even though diplomatic relations between the two nations were broken 25 years ago. Balaguer spoke to the press in the town of Palmar de Ocoa, approximately 80 km from Santo Domingo, where he met with agricultural producers. The Dominican president said that the reestablishment of diplomatic relations between his country and Cuba is not possible because the Dominican Republic is a nation that is dependent on the United States.

FURTHER ON URUGUAYAN FOREIGN MINISTER'S VISIT

Meeting With Castro

FL091408 Havana Tele-Rebelde Network in Spanish 1200 GMT 9 Mar 87

[Text] Commander in Chief Fidel Castro, president of the Council of State and the Cuban Government, has met with the official delegation from the Oriental Republic of Uruguay, which is presided over by Foreign Minister Enrique Iglesias and includes Senator Jorge Battle, first vice president of the Colorado Party, Senator Dardo Ortiz of the Blanco Party, Deputy Gonzalo Carambula of the Broad Front, (Isidoro Vera), general director of foreign trade, and His Excellency Bernardo Rafael Pineyrúa, who is Uruguayan ambassador to Cuba.

During the meeting, Foreign Minister Iglesias and Senator Battle had an extensive meeting with the commander in chief during which they analyzed current bilateral relations and the possibilities for further development.

Iglesias returned to his country yesterday after a productive visit to Havana.

Iglesias Remarks

FL092150 Havana Radio Periodico del Aire in Spanish 1700 GMT 9 Mar 87

[Text] Uruguayan Foreign Minister Enrique Iglesias has said that his visit to Cuba was characterized by friendship and cordiality and that its aims were fulfilled.

Iglesias, who headed a Uruguayan delegation answering to an official Cuban invitation, said that his meeting with Commander in Chief Fidel Castro, president of the Councils of State and Ministers, was [words indistinct] and that they discussed the foreign debt, Latin America's economic problems, and the Central American situation, on which Cuba and Uruguay have similar positions. [Havana International Service in Spanish at 1600 GMT on 8 March reports on Iglesias' remarks as follows: "Iglesias expressed to the media his happiness over his tour of Cuba, and he mentioned his meeting with Cuba's top leader, Fidel Castro. He said that talks with the Cuban authorities cause him to predict the strengthening of bilateral relations, including trade relations."]

Uruguayan Legislators' Comments

PA092111 Havana International Service in Spanish 1600 GMT 8 Mar 87

[Text] Uruguayan legislators visiting Havana and their Cuban counterparts reached significant agreements during meetings held at the quarters of the National Assembly of the People's Government.

The President of the Cuban Parliament Flavio Bravo noted to the media the agreements reached in subjects such as the Latin American foreign debt, the need for a new international economic order and the Central American crisis.

Uruguayan Senate Vice President Jose Battle expressed his satisfaction for this opportunity to exchange views for more than 4 hours with Cuban President Fidel Castro.

PEASANTS IN PARAGUAY FACING 'REPRESSION'

PA092153 Havana International Service in Spanish 2300 GMT 8 Mar 87

["Our America" commentary]

[Text] In a spiraling repression that has not declined in the past 30 years, since November 1986 the Alfredo Stroessner regime has been harassing more than 600 peasant families to abandon the land they legally occupy in the Tavapy II neighborhood in Alto Parana.

Some 1,500 soldiers are besieging the peasants and their relatives who are suffering hunger and disease and lack everything necessary to live. The purpose could not be more evil: to expel from their land a whole community whose access to the region was authorized by the Rural Development Institute, which has now decided to withdraw its support of the peasants.

According to the sporadic information about the conflict that reaches the outside world, the confiscation of the land is intended to benefit Tomas and Rodolfo Garcia Kohler, who have been reported by the opposition as agents of Chilean dictator Augusto Pinochet.

Four years ago, the peasant families were authorized to occupy 4,000 hectares in the Alto Parana region. However, due to the very powerful complaints, the legal support granted to the peasants vanished like smoke and the only defense left to the peasants is the solidarity of the national progressive sectors, including several Catholic priests. Catholic priest Pedro Lovera has reported the peasants. Moreover, he added that the families who have been besieged are not receiving any service at all. Children are deprived of education and several tenant farmers have been arrested to intimidate the group. At least one of them has been violently tortured.

Shamelessness has reached such a point in this tragedy that farmers who own large estates and demanding the land can afford to finance the military men besetting the peasants; thus, the dictatorship spends not a penny in the repressive action. At the same time, the National Army practices the most blatant mercenary actions.

Opposition sectors have said that the Alto Parana agricultural worker's battle represents one of the most distressing shouts of the Paraguayan peasants in the past few years. They have also expressed their fears that the Army, encouraged by its impunity, could perpetrate a massacre of huge proportions.

The drama faced by the 600 families in Tavapy II clearly shows the improvised violence taking place in Paraguay for the past 30 years. This also shows that the Guarani people have tremendous reserves to struggle.

RISQUET MEETS WITH SEYCHELLES DELEGATION

FL040211 Havana Television Service in Spanish 0100 GMT 4 Mar 87

[Text] Jorge Risquet Valdes, member of the Politburo and Secretariat of the Communist Party of Cuba [PCC] Central Committee, today received Comrade (Silvet Frichot), member of the Seychelles People's Progressive Front and principal organizer of this group.

During the meeting, the two leaders discussed several topics related to the international situation and bilateral relations.

Comrade Risquet reiterated the PCC's support for Seychelles efforts to consolidate the independent development of that country.

Also participating in the meeting were other members of the visiting delegation and PCC Central Committee officials.

GHANAIAN INDEPENDENCE ANNIVERSARY CELEBRATED

FL071550 Havana Radio Reloj Network in Spanish 1306 GMT 7 Mar 87

[Text] The ties of friendship and solidarity between the peoples of Cuba and Ghana were in evidence once again during the ceremony to mark the 30th anniversary of Ghanaian independence held at the Kuame Nkrumah rural school in the City [as heard] of Youth participated in the ceremony, during which a wreath was placed at the foot of the monument honoring the Ghanaian leader erected at the school. (Paul Teacher), representative of the Ghanaian students in the special municipality, declared that his country is working to make progress in all spheres and to consolidate its independence. (Noemis Rodriguez), member of the Communist Party of Cuba Municipal Committee in the Isle of Youth, reasserted that Cuba stands in solidarity with the revolutionary cause of the Ghanaian people.

CAMBODIAN DELEGATION ARRIVES FOR 10-DAY VISIT

FL061615 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Mar 87

[Text] Say Chhun, minister of agriculture from the People's Republic of Kampuchea, arrived yesterday at the Jose Marti International Airport to pay a 10-day visit to Cuba. The delegation is planning to visit livestock-agricultural centers and institutions and wants to learn about their organization and working system. Osvaldo Acosta, vice minister of agriculture, and Silverio Tamayo, director of the Institute of Veterinary Medicine, received the distinguished Kampuchean guests.

SUGAR MINISTER EVALUATES CAMAGUEY HARVEST

FL091932 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Mar 87

[Report by Manuel Cano Iglesias from Camaguey]

[Text] A Ministry of the Sugar Industry team headed by Minister Juan Herrera Machado has undertaken a detailed analysis on the progress of the current sugar harvest in Camaguey and on the fundamental tasks of the Camaguey agricultural sector.

Lazaro Vasquez Garcia, alternate Politburo member and first party secretary in this province, presided over the meeting. He said that this evaluation was taking place at a very strategic moment that demands extraordinary will in terms of organization on the part of the sugar agroindustry.

It was reported that a group of Camaguey harvesters are in good position to fulfill their sugar production goals. The largest efforts must be made at the Panama and Ignacio Argamonte complexes, where harvests will be into full swing in May.

HEAVY RAINS HINDER HOLGUIN'S SUGAR PRODUCTION

FL092330 Havana Radio Reloj Network in Spanish 2151 GMT 9 Mar 87

[Text] Heavy rains have interrupted the supply of sugarcane to Holguin province sugar mills. This has hindered sugar industry workers efforts to maintain over 90 percent grinding levels. Workers have used the idle time caused by the rains in industrial maintenance work and have pledged to break the record set last year in March when over 200,000 metric tons of sugar were accumulated.

The province's cane harvest has had a favorable turn. Because of the drought, planting was mainly done in areas with irrigation systems.

Holguin Province has conducted 44 percent of its grinding potential as a result of 55 percent inactive units due to the rain. This shows that a fast recovery is possible.

'THOUSANDS' WORK TO RESTORE DAMAGED TOBACCO AREA

FL092005 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Mar 87

[Report by Cabrera Penado from Pinar del Rio]

[Text] Thousands of Pinar del Rio residents went to tobacco fields in San Juan y Martinez and San Luis municipalities over the weekend to work at different tasks resulting from damages produced by a tornado and recent rains on nine tobacco caballerias in this province.

In addition to the affected areas, 37 tobacco leaf treating rooms, several tobacco houses, and other installations were destroyed. During an inspection tour through the affected areas, Orlando Lugo Fonte, member of the Central Committee and first party secretary in Pinar del Rio, and other leaders verified the damages, which were mostly located at the Santiago Rodriguez Tobacco Enterprise and the Niseto Perez CPA [expansion unknown].

The top party leader in Vuelta Abajo told the press that the province is planting approximately 2,800 caballerias and the problem will be resolved. He noted that despite the setback, work is being done to obtain a good harvest.

ELECTRICITY CONSUMPTION PLAN BEHIND SCHEDULE

FL100221 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Mar 87

[Text] The country's state plan for electricity consumption distribution [plan estatal de segregacion de cifras para el consumo de electricidad] is showing extensive delays. Central state administration organizations are responsible for this situation, which affects energy use controls. Sancti Spiritus, Las Tunas, and Villa Clara are provinces with a critical situation.

HAVANA BUTTER DISTRIBUTION UP BY 30 TONS

FL092109 Havana Radio Periodico del Aire 1700 GMT 9 Mar 87

[Text] This month the Ministry of the Food Industry [MINAL] will increase butter sales approximately 30 tons in Havana province

Armando Nogal, head of the sales department of the MINAL's dairy enterprises union, reported that butter distribution to the retail network has been under the MINAL since 2 February.

CETSS TO BE STRICTER IN APPLYING STANDARDS

FL071717 Havana Radio Reloj Network in Spanish 1325 GMT 7 Mar 87

[Text] The State Committee for Labor and Social Security [CETSS], with the support of the labor movement, will be stricter in demanding that all regulations and instructions on labor standards be fulfilled. During the present process of rectification, mistakes have been made such as those of some work centers which have restricted the payment of bonuses to 130 percent of the workers wages with an ensuing curtailment of productivity. There are other cases in which the extension of the workday has been limited or restrictive measures have been applied, when the thing to do is to favor and encourage working the necessary hours within the parameters of existing legislation.

We must not forget that the standards are set on the basis of technical studies, statistics, and experience. Therefore, the worker who falls short will have to make efforts to meet the productivity mean that corresponds to the standard, and the one who does more will overfulfill.

CASTRO PRESIDES OVER MEDICAL FAIR COMMITTEE

FL070330 Havana Television Service in Spanish 0100 GMT 7 Mar 87

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers is presiding over the honorary committee for the Third International Medical Technology Fair: Health for All.

The fair will be held from 23-30 April and will inaugurate the Palace of Conventions exhibit hall.

The most advanced medical techniques and technology will be exhibited by 262 firms from 27 countries. It is expected that more than 1,300 Latin American and Caribbean doctors will participate in the fair and may open trade relations with the firms at the exhibit.

This event converts Cuba into a regional convention center and health for all is one of the most important international medical fairs.

CASTRO DECORATES NATURAL MEDICINE PRACTITIONER

FLO71459 Havana Radio Reloj Network in Spanish 1302 GMT 7 Mar 87

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has decorated Dr (Albert Jacques Kunh) with the Order of Solidarity at a ceremony held in the Palace of the Revolution. (Kunh) is a distinguished natural scientist who resides in Toronto, Canada. Dr (Kunh) was born on 4 June 1903 in Zurich, Switzerland, and is from a very poor family. In 1923, he emigrated to Canada where he engaged in agricultural work while attending school. The naturalist has practiced "green" medicine for more than 50 years. He treats patients from all over the world and has visited three continents.

Dr (Kunh) has been awarded the Order of Solidarity for his outstanding research in natural medicine, his constant activity in the struggle for peace, and his concern for the scientific-technical development of Cuban medicine.

ANTIGUA AND BARBUDAFINANCE MINISTER ANNOUNCES RESCHEDULING OF DEBT

FLO61443 Bonaire Trans World Radio in English 1130 GMT 6 Mar 87

[Text] From Antigua, word is that the government will reschedule its foreign debt. This was announced by the country's minister of finance as he presented a 1987 budgetary estimate. The build up of foreign debt has been a deep concern of the Antigua-Barbuda Government.

HAITIOPPOSITION FORCES TO VOTE 'NO' IN REFERENDUM

PAO91953 Paris AFP in Spanish 1430 GMT 9 Mar 87

[Text] Port-au-Prince, 9 Mar (AFP) -- It was reported in the Haitian capital today that the first assembly of Haitian popular forces concluded its work last night, and called for a "no" vote in the constitutional referendum that will be held 29 March.

This group which, according to its organizers, comprises 70 associations and groups that oppose the National Council of Government (CNG), also spoke out against the new Haitian electoral charter which was presented by the authorities. The participants in the assembly view it as an instrument of police repression.

Most of the parties that belong to the Union of Democratic Forces participated in this assembly. Also participating were the Autonomous Central Organization of the Haitian Workers (one of the three branches of the Haitian labor movement), the Democratic Unity Committee (a youth organization), and the Committee Against Repression.

The organizers of the assembly said that 900 persons participated in the meeting, which began Saturday.

JAMAICASEAGA OBTAINS DEBT RESCHEDULING WITH PARIS CLUB

FLO61605 Bridgetown CANA in English 1524 GMT 6 Mar 87

[Text] Kingston, Jamaica, March 6, CANA -- Jamaica has won a 10-year rescheduling of US\$125.5 million dollars of debt repayments due over the next two years to the Paris Club, the government announced.

The island's Prime Minister and Minister of Finance Edward Seaga and senior Central Bank officials put Jamaica's case to the group of Western creditor nations in the French capital yesterday.

The Jamaicans go on to New York on Monday for debt rescheduling talks with private banks which hold 12 percent of Jamaica's US\$3.5 billion dollar foreign debt.

Already Mexico and Venezuela have rescheduled over US\$150 million dollars owing to them, following the government's new US\$150 [as received] dollar stand-by agreement with the (IMF).

The repayments rescheduled by the Paris Club would have fallen due between January this year and March 1988, and covered 100 per cent of principal and 85 per cent of interest.

Jamaica was given a grace period of five-and-half years on the payments, the official JAMPRESS NEWS AGENCY said.

Additionally, 100 per cent of principal and 85 per cent of interest on arrears built up between April and December last year has been rescheduled for six years with a two-and-a-half year grace period.

The level of the arrears was not announced by JAMPRESS, nor was the breakdown between principal and interest or new interest formula for either programme.

No Central Bank official conversant with the terms of the rescheduling was available for comment.

Jamaica ran up payments arrears last year because the collapse of a previous IMF agreement precluded rescheduling and slowed down foreign aid inflows.

The island's last rescheduling at the Paris Club, also for US\$125.5 million dollars, was in 1985.

But at that time only 50 per cent of interest was rescheduled and the grace period was six months shorter.

JAMPRESS quoted Seaga as saying that his was considered one of the best agreements reached at the Paris Club for the level of interest covered and the amount not falling in arrears to be rescheduled.

He said too that the amount rescheduled was US\$19 million dollars better than the government had programmed for.

However, earlier this year the prime minister had told journalists he expected rescheduling from the Club in the region of US\$200 million dollars.

Seaga said next week's talks in New York with the advisory committee of Jamaica's commercial bank lenders will complete rescheduling arrangements up to the end of March 1988.

What will now remain is for the technical and legal team led by the (Central) Bank of Jamaica to negotiate the details of the agreements with each of the creditor countries over the next few months, he said.

ST LUCIACAPE VERDE GOVERNMENT SUSPENDS SLA FLIGHTS

FLO62224 Bridgetown CANA in English 2127 GMT 6 Mar 87

[Excerpt] Castries, St Lucia, March 6, CANA — The Government of the Cape Verde Islands, West Africa, has suspended St Lucia Airways [SLA] authorisation to fly into the territory, until investigations are completed into charges that the airline was used by the United States to fly arms to anti-government guerrillas in Angola, informed sources here said today.

The sources said the government on the Cape Verde has formally notified the St Lucia Government of its decision.

Authorities on Cape Verde have also confirmed that St Lucia Airways Boeing 707 and C-130 Hercules transport aircraft refuelled on the islands last year, and then headed, mostly for Zaire on the West African mainland, believed to be an important conduit for arms bound for anti-government forces in Angola.

At least one flight went on to Libreville, in the Congo, sources said.

Press reports in the United States, Britain, and the Caribbean have alleged that SLA was one of the carriers of U.S. arms to anti-government guerrillas of the South African-Sponsored Union for the Total Independence of Angola (UNITA), waging war to overthrow the Angolan Government. [passage omitted]

COMPTON ANNOUNCES GENERAL ELECTIONS 6 APRIL

FLO71159 Bridgetown CANA in English 1141 GMT 7 Mar 87

[Text] Castries, St Lucia, March 6, CANA — St Lucians will go to the polls in general elections on Monday, April 6, Prime Minister John Compton announced last night.

Speaking at a public meeting of his ruling United Workers Party (UWP) here, Compton did not say when nomination would be.

He said the election date was chosen to facilitate a maximum turn-out of voters.

He also predicted that his UWP would be returned to office for another five year term.

Parliament will be dissolved on March 11.

ARGENTINA'S CAPUTO ON COALS OF NONALIGNED MEETING

PY092014 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 87 p 1

[Text] (NA) — Foreign Minister Dante Caputo yesterday said Argentina would present a "serious" and "coherent" position during a meeting in Guiana of the Co-ordination Bureau of the Non-Aligned Movement. Caputo denied he would advance a more conservative point of view than on previous occasions as reported by several United States news agencies.

Peruvian Foreign Minister Alan Wagner and Argentine Latin American Affairs Secretary Raul Alconada Sempe joined Caputo last night as he left for Georgetown, Guyana.

Sources revealed that the draft document to be discussed in the Georgetown meeting would emphasize the foreign debt question, the Central American conflict and Argentina's claim to sovereignty over the Malvinas Islands.

The statement is expected to encourage industrialized nations to accept their share of responsibility in the foreign debt crisis and reject the increased military presence of Britain in the South Atlantic.

The complete democratization of Haiti and the question of U.S. military bases in Puerto Rico would also be discussed in the course of the three-day meeting.

NONALIGNED PRELIMINARY CONFERENCE BEGINS

PA091702 Madrid EFE in Spanish 1621 GMT 9 Mar 87

[Text] Georgetown, 9 Mar (EFE) — Today ranking officials Nonaligned Movement [NOAL] countries began a preliminary meeting here to work out proceedings of the special ministerial meeting for Latin America which begins tomorrow. Approximately 72 delegates are attending the event, the second to be held in Latin America. The first one was held in Managua in January 1983 to discuss principally the situation of Latin America and its debt. The preliminary meeting will elect the president and vice president of the conference and members of the commission who will draft the final communique. The draft communique, to which EFE gained access [as received], condemns in harsh terms U.S. aid to the Nicaraguan "contras."

After these preparations, the meeting will be opened officially tomorrow by Guyanese President Desmond Hoyte while the foreign ministers will present their countries' positions on the Latin American situation. The draft of the final communique, presented by Guyana as conference host, will be discussed until the last day of the conference on 12 March. The draft "harshly condemns" the U.S. "policy of aggression" toward the Sandinist regime and support of the anti-Sandinist rebels by Nicaragua's neighbors.

Latin American sources indicated Argentina is trying to tone down the terms of the communique which analyzes "with concern" the political effects of the Iran-contra scandal. The draft communique urges negotiated solution of the conflict through the Contadora peace-keeping process, and it is hoped that delegations of the member-countries of this peace-keeping group (Colombia, Panama, Mexico, and Venezuela), as well as those of the Support Group (Peru, Argentina, Brazil and Uruguay) will endorse this initiative. "It is most likely that the Contadora role in the peacekeeping process will be encouraged," a Latin American diplomat told EFE. The draft suggests the same path of peace for the conflict in El Salvador, appealing for the resumption of the La Palma dialogue between the government and the armed opposition. On the topic of the debt, the draft urges the debtor countries to meet their obligations in keeping with the income level of their exports.

NATIONAL CONGRESS VIEWS 'ALARMING' CRISIS

FL061859 Paramaribo International Service in English 1730 GMT 6 Mar 87

[Text] Representing the three traditional political parties at the national congress on crisis and perspectives which opened here on Wednesday [4 March], Mr Joseph Brahim, on the second day yesterday delivered his address. Mr Brahim, who is director of de Surinaamsche Bank, gave an outline of the financial-economic situation, which he referred to as being alarming. He said because of this, Suriname is with its back against the wall. As measures to overcome the crisis, Brahim recommended reduction of the budgetary deficits, which now amounts to 500 million guilders. He said to achieve this, personnel will have to be dismissed, production must be increased for exports, and the government should transfer some of its services to the private sector.

Following his speech, there was a panel discussion in which the main question was where to get the necessary financing for investment projects. Both Mr Brahim and fellow member Winston Caldeira, who is director of the Planning Bureau, suggested as an option negotiations with the International Monetary Fund. Mr [words indistinct] however, disagrees with this because of the harsh conditions of the IMF. He said working with the fund will create enormous social problems for Suriname, adding it will also lead to the devaluation of the Suriname currency, inflation, and retrenchment of government personnel. The congress is to be closed tomorrow.

Bouterse Remarks

FL091836 Paramaribo International Service in English 1730 GMT 9 Mar 87

[Text] The problems that confront Suriname now are in connection with the process of economic self-reliance. In Suriname, this process is taking place at a time of serious world economic crisis but we must continue until we have reached our objective.

This was said by government leader Bouterse last Saturday [7 March] when he closed the national congress on crisis and perspectives.

Bouterse said that Suriname will only be able to overcome the crisis when forces are united and there is national approach. He said the time is now right to resolutely tackle the historic problems.

Probably this week, the top deliberating council will decide on the recommendations of the congress.

GOVERNMENT CLOSES ALL SCHOOLS 'INDEFINITELY'

FL061825 Paramaribo International Service in English 1730 GMT 6 Mar 87

[Text] Starting today, secondary and high schools have again been closed indefinitely. The government opted for this move for the safety of both the teachers and students.

The closure will affect 88 schools in the Paramaribo and (Wanika) districts, which were kept closed last week after student demonstrations at the end of February got out of hand.

On Monday [2 March] the schools reopened but by Wednesday [4 March] it was clear that classes couldn't go on as normal. Last night, in a television program, the students leaders voiced their unhappiness that appears to live among the student population concerning the political and economic situation. However, the students didn't make demands concerning this.

DEMONSTRATORS PROTEST FOOD DISTRIBUTION SYSTEM

FL091820 Paramaribo International Service in English 1730 GMT 9 Mar 87

[Text] Residents from about 50 neighborhoods in Suriname last Saturday demonstrated for the maintenance of the distribution system. For more than 2 years now, the neighborhood organizations embarked on the distribution of basic food items themselves and they want to continue with this.

There was some unrest because the government is introducing a new system for the neighborhoods in Paramaribo which are not yet organized. The new system started today and includes small shopkeepers.

The already organized neighborhoods had a meeting last Saturday [7 March] with government leader Bouterse and other authorities. They emphasized that the distribution should remain in the hands of the people and it has already been proven that this is the best method in these neighborhoods, there are no long lines or high prices for food items and the goods are distributed equally.

At a meeting, the residents were assured that the existing system will not be changed. The new system, which got under way today, is for the neighborhoods where the people aren't organized.